

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, MAY 19, 1932

Unquestionable financial strength.

The facilities and ability to satisfy exacting requirements.

Sound judgment in meeting ever changing conditions.

An unblemished record for fair treatment of agents, claimants and policyholders.

These are some of the reasons why far-seeing agents are turning to the "London Guarantee".



Established in 1849, the London Guarantee is one of the oldest and strongest casualty companies in the world.

LONDON GUARANTEE & ACCIDENT Co., LTD.

J. M. HAINES, U. S. Manager

HEAD OFFICE, 55 FIFTH AVENUE, NEW YORK

HERE, HERE! what's going on?

You don't expect to see such things as this, through the keyhole or otherwise. Yet the daily press keeps you posted on what's going on. Accounts of store robberies, hold-ups, bank robberies and safe cracking jobs make the first page with alarming frequency . . . But what's going on in the insurance world to combat the widespread activities of present-day crooks? What new policies have been issued? What changes have taken place in the residence burglary, theft, robbery and larceny policy, for example? What are insurance agents and brokers who are on the alert talking about? . . . Thousands of insurance men read *The Employers' Pioneer* each month to keep posted on what's going on. In the current issue the majority of material is devoted to helpful information relative to the burglary lines. Every month this publication of The Employers' Group is distributed in an effort to assist that army of insurance counsellors who are fighting for the complete protection of their assured. We will be glad to put your name on the



mailing list at absolutely no cost to you, whether or not you represent any of The Employers' Group companies. This magazine is yours for the asking. Write to the Publicity Department at 110 Milk Street, Boston. Keep posted on what's going on!



THE EMPLOYERS' GROUP

The Employers' Liability Assurance Corporation, Ltd. The Employers' Fire Insurance Company American Employers' Insurance Company 110 Milk Street, Boston, Mass.

The ROYAL-LIVERPOOL GROUPS

for

SECURITY and SERVICE

BOTH the "Royal" and the "Liverpool" have been continuously in business for over eighty years, the "Newark" for more than a hundred years and the "Queen" for more than forty years; all indicating permanence and stability, covering as the periods do, many depressions and major conflagrations. ♦ All the Companies of these Groups—Fire, Casualty and Marine—have established records second to none. Below are summarized statements of the financial positions of the Companies comprising the "Royal-Liverpool" Groups. Their standing is unquestionable. ♦ The resources listed comprise those, and only those, actually held in the United States.



ROYAL BUILDING, 150 WILLIAM ST., NEW YORK CITY

FINANCIAL STATEMENT BASED ON MARKET VALUES AS OF DECEMBER 31, 1931

NET PREMIUMS 1931		UNITED STATES RESOURCES AS OF DECEMBER 31, 1931		
		ASSETS	LIABILITIES	SURPLUS TO POLICYHOLDERS (Includes Capital)
\$1,643,943	American & Foreign Insurance Company of New York . . .	\$6,013,272	\$2,659,505	\$3,353,767
668,317	British & Foreign Marine Insurance Company, Ltd. . . .	2,894,987	1,348,208	1,546,779
166,757	Capital Fire Insurance Company of California	1,067,874	409,245	658,629
3,537,030	Eagle Indemnity Company	7,074,172	5,552,828	1,521,344
720,735	Federal Union Insurance Company	2,428,986*	1,258,160	1,170,826*
19,464,132	Globe Indemnity Company	35,359,508	29,049,960	6,309,548
9,930,468	The Liverpool & London & Globe Insurance Co. Ltd. . . .	20,455,893	16,429,231	4,026,661
3,383,609	The Newark Fire Insurance Company	9,240,246	5,867,090	3,373,156
7,803,935	Queen Insurance Company of America	22,428,216	13,896,031	8,532,184
13,882,167	Royal Indemnity Company	26,577,861	23,066,632	3,511,228
9,786,967	Royal Insurance Company, Ltd.	24,620,304	16,654,936	7,965,367
1,938,538	Star Insurance Company of America	5,185,048	3,291,366	1,893,681
539,528	Thames & Mersey Marine Insurance Company, Ltd. . . .	1,349,517	689,313	660,203
<u>\$73,466,126</u>		<u>Total \$164,695,884*</u>	<u>\$120,172,505</u>	<u>\$44,523,373*</u>

*Additional \$500,000 since paid into surplus of "Federal Union"

Surplus to Policyholders (Market Values as of December 31, 1931) \$44,523,373

Surplus to Policyholders (Insurance Commissioners' Convention Values) \$69,654,171

"We have just received the new Residence Liability Policy and I, personally, admire the makeup of this contract so much that I am moved to write a line of congratulation. During the entire ten years in which I have had the pleasure of representing the Hartford in this office, I have always regarded our Company as the most progressive in its field and have noted the gradual improvements in the insuring clauses in the various policies so as to make them readily understandable both to the assured and to the agent."

Agent's name on request.

**Year in and
year out you'll
do well with the
Hartford
Accident and
Indemnity
Company**

The National Underwriter

Thirty-Sixth Year No. 20

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MAY 19, 1932

\$4.00 Per Year, 20 Cents a Copy

Hasty Commission Action Condemned

Rawlings Directs Attention to Possibility of Savings in Other Items

ADDRESSES W. I. B. MEET

Agents Were Not Profiteers in Boom Times, President of Bureau States

BRIARCLIFF, N. Y., May 18.—Ralph Rawlings, president of the Monarch Fire, in his presidential address before the annual meeting of the Western Insurance Bureau here, expressed the opinion that in the great drive to reduce overhead, the commission item should be given thorough study by all companies, regardless of affiliation, before "too decided a step is taken."

"I have always been a firm believer that the agent should be taken into consultation before any drastic action is taken in reference to the business they produce," Mr. Rawlings said. "To my mind the commission paid to agents is just a fly in the ointment—something for our super-executives to harp about—while they gloss over the expenses of the various bureaus and the legal fees which all of us in the west have been compelled to pay without any material results."

Problem of Economy

Acquisition cost on a percentage basis to premiums written, he pointed out, has been steadily rising. All head offices have been forced to effect serious economies in view of the declining premium income, but it is difficult to reduce overhead rapidly enough to meet even a moderate reduction in premiums.

"Therefore," he said, "from time to time, the rates of commission paid to agents come before us for very serious consideration, for this constitutes over 50 percent of the acquisition cost of the insurance business."

Percentage of Profit No Higher

"The agent's compensation is based on the dollar of insurance premium on a percentage basis. These percentages crept up but slightly during the most prosperous times this country has ever experienced, so that the only additional income the local agent received was on the additional dollars of premium he was able to write. In many other lines—banking for instance—the percentage of profit was noticeably increased, as well as the volume of business, so that actual net profits for a while were on a cumulative basis, the profits rising much faster than would be justified by the increase in business alone. During all this time the local agent received his same percentage of commission, and while his income was increased due to the greater volume of business, his percentage of income to business written remained the same. In

Chamber of Commerce in San Francisco Conference

SAN FRANCISCO, May 18.—National councillors Tuesday nominated Justin Peters of Philadelphia, president Pennsylvania Lumbermen's Mutual Fire, for chairman of the insurance division of the U. S. Chamber of Commerce, to succeed C. W. Gold, president Pilot Life, candidate to succeed himself. Among those nominated for director of the western district is P. J. Fay, prominent San Francisco broker.

SAN FRANCISCO, May 18.—Nearly 1,000 persons attended the national council meeting preceding the annual meeting of the U. S. Chamber of Commerce here Tuesday and heard awards made in the national inter-city fire waste and health contests. Phil J. Fay, former president San Francisco chamber of commerce and prominent insurance broker, presented the trophies in the fire contest, and Chairman C. W. Gold made the awards in the health contest.

Immediately after the awards, members started balloting on new representatives and department chairmen in the several districts and departments. Mr. Gold, president Pilot Life, and Justin Peters, president Pennsylvania Lumbermen's Mutual Fire, Philadelphia, contending for chairman of the insurance section.

Elected by Large Margin

Mr. Peters received 175 votes as against 64 for Mr. Gold. Commenting on the result, James S. Kemper, former chamber director and chairman of the Peters campaign committee, said: "The result is very gratifying to us, of course. Mr. Peters is exceptionally well qualified for the position and will reflect credit upon the chamber and the insurance business."

"The overwhelming majority by which he was elected is not only a fine compliment to him but an unmistakable indication that the national chamber is definitely committed to the policy of balanced representation which so far as insurance is concerned has prevailed from the organization of the insurance department except for the past two years."

Markham Other Director

George D. Markham of St. Louis is the other insurance director of the chamber. Philip J. Fay, director representing the ninth election district and a member of the San Francisco brokerage

other words, he certainly was not in the profiteer class during those days.

"Now we are facing reduced inventories, reduced values, and on top of this there is a tendency to aim at the reduction of agent's commissions. Perhaps they are slightly out of line in some cases, but any large reductions in the rate of commission paid to local agents would no doubt drive so many of them out of the business, with the resulting loss of income to the companies, that the same old fixed overhead would eat up most of the savings."

Mr. Rawlings cited an example to

firm of Nichols & Fay, was renominated by a large majority. Under chamber procedure, nomination is practically equivalent to election. The formal balloting takes place Friday just prior to final adjournment.

With "Loss Prevention as Applied to Insurance Costs," the subject, James S. Kemper, president Lumbermen's Mutual Casualty, Chicago; W. B. Bailey, Travelers, and Thos. H. Anderson, Liverpool & London & Globe, presented the views of the fire and casualty business at the regular insurance meeting Wednesday afternoon.

Kemper Stresses Education

Mr. Kemper stressed the importance of education among the people for prevention of accidents in industrial organizations and for reduction of automobile accident costs. He criticized ambulance chasing, excessive claims and fraud and the indifference of the public to accident frequency and high costs as factors in present heavy losses.

Speaking on the subject of industrial safety, Mr. Kemper said: "The solution is that employers must in truth and in fact, and not merely on paper, make accident prevention an inherent part of plant routine. The executive heads of industry must themselves take the initiative, for they alone have the authority and prestige to make it unmistakably clear that the policy of a factory shall be to conduct its business with the greatest possible safety."

Anderson on Fire Conditions

Speaking on fire conditions, Mr. Anderson also scored public indifference toward the problem, emphasizing that fire waste is not alone an insurance company matter. He pleaded for cooperation of business men with rating bodies and warned, "Unless this destruction can be materially reduced there is grave danger of the economic structure of the country toppling."

Accumulating reserves through annuities was the other subject for discussion on the afternoon's program. It was handled by G. P. Hamilton of the Equitable Life of New York, and W. P. Fuller, president of the W. P. Fuller Company, San Francisco, who operates an employe plan in his large organization. Mr. Hamilton reviewed the various types of annuities in vogue and the method of their compilation and development.

show how the agent's income has been reduced before the rate of commission is even considered. A large agency, he said, suffered a decline in premiums in 1931 of about 30 percent as compared with 1929. During the same period, the number of contracts issued fell off only 7½ percent. There was no falling off in endorsements so that just as much work was necessary as formerly. There was practically no reduction in the overhead expense. A stock of merchandise that was inventoried at \$100,000 in 1929, rated at 1 percent, produced a premium

(CONTINUED ON LAST PAGE)

Court Sets Limit to Powers of N. Y.

Court of Appeals Denies Assumption of Extraterritoriality by Department

BIG ISSUE IS SETTLED

Van Schaick Is Overruled in Denying Admission to Factory Mutual Liability of Providence

NEW YORK, May 18.—Of nationwide interest was the decision of the New York court of appeals in the application for a review of the decision of the appellate division in the case of the Factory Mutual Liability of Providence vs. Superintendent Van Schaick in that it definitely prohibits the exercise of extraterritorial jurisdiction by the New York department, thus settling an issue that has been to the front at various times in recent years, but which had never previously been threshed out in court.

The action followed denial by the New York department of the application of the Factory Mutual for admission to this state, upon the ground that while the laws of New York restricted home mutual automobile liability companies to the issuance of "assessable policies in every state in which they transact business," the Factory Mutual Liability, chartered as it is to write both assessable and non-assessable contracts, would have a distinct advantage in competition with New York companies, although the Providence institution agreed to confine its business in New York to a strictly assessable basis.

The attitude of the New York department was challenged by the Factory Mutual in that it constituted "an unlawful attempt to control the character of its business done in other states and lawful under their laws, as a condition of admitting it to the state of New York. In this position, the superintendent assumes an authority which is not only not found in the statutes of the state of New York, but is contrary to the public policy of the state evidenced by such statutes. In addition, refusal of admission upon this ground is a violation of the company's rights under the federal constitution."

Section 56 of the New York insurance law provides: "Nor shall any such company be admitted to transact business in this state unless it shall file in the office of the superintendent of insurance department an agreement under its corporate seal that it will not transact in this state any business which any similar domestic insurance company may not transact." This and other sections of the statute, counsel for the Factory Mutual contended, indicated the legislative intention to limit the practices of a foreign company only within the confines of New York. The department, it was

(CONTINUED ON PAGE 8)

Wisconsin Agents Consider Offensive to Meet Problems

LEWIS REVIEWS CONDITIONS

President Takes Decided Stand on
Commissions and Method of Re-
leasing New Rates

OSHKOSH, WIS., May 18.—Members of the Wisconsin Association of Insurance Agents held their first mid-year meeting in several years here last week to discuss the need of strict organization to combat the problems which face their business. Charles W. Conrad, president Oshkosh Insurance Underwriters Association, welcomed the visitors. Fred J. Lewis, Milwaukee, president Wisconsin association, presided and read a report of activities since the annual meeting in October. William B. Calhoun, Milwaukee, president National Association of Insurance Agents, was guest of honor and spoke on National association aims and the responsibility of agents to their clients.

The meeting was in the nature of an open forum discussion, without any set speeches by speakers. Discussion of subjects of interest was held from the floor, similar to the plan used at the National association midyear meeting. These subjects include the qualification laws, state legislation, commissions, church insurance, automatic cancellation of policies for non-payment of premiums, new automobile liability rates and kindred topics.

Should Inform Agents

President Lewis touched on many subjects in his report. In discussing the new automobile liability rates, he urged that the agents be informed regarding rate changes "before our customers are advised directly over our heads by the bureau and the companies through newspaper publicity. It is embarrassing to the agent representing companies that have increased rates to be unable when called on to explain the reasons for such increases and to ask clients to take the increases on trust until they can look into the matter."

Regardless of qualification laws, said Mr. Lewis, the evils they are designed to overcome and the improvements sought can be accomplished by properly organized local boards. He labeled objections to the agency qualification law in Wisconsin as short-sighted and selfish.

Tax Reduction Urged

"Agitation for reduction of taxes on stock companies," said Mr. Lewis, "is not only of importance to the company and agent, but it is a service agents owe to their clients and reductions of taxation will ultimately be reflected in reduced insurance rates in which such taxes now form an important part."

In discussing church insurance, Mr. Lewis said that the only purpose of churches placing insurance under the general cover contracts is an economic one and not a religious one, and that the economy of the movement is generally a delusion and can be made completely so by the discontinuance of the local agent's church contributions.

Pays Press Tribute

"Many commission producing ideas will result from a careful reading of the insurance press," Mr. Lewis said, "and we are indebted to the press and its representatives for the fair presentation of the views of agents on matters that arise from time to time."

The stability of the American agency system can only be assured through efficient service of qualified agents which cannot be rendered on an insufficient margin of commission, said Mr. Lewis in considering reduced commissions. "A reduction of 5 percent in the commission means a reduction of 50 percent in the agent's income."

Unified Front Is Needed by Agents to Meet Problems

The companies came in for some sharp criticism in a review of the problems facing agents by Carl B. White, national councillor, at the annual convention of the Oregon Insurance Agents Union at Klamath Falls, Ore., last week. He criticized the releasing of the new automobile rates without notice to the agents and said that the insurance business lost a good deal of good will through the adverse newspaper comment and the agents of the non-board companies are taking advantage of the situation in their advertising.

Many Angles to Problem

In commenting upon the tendency to decrease agents' commissions, Mr. White said that this serious problem has many and varied angles. It is necessary for the leaders in the National association to adopt a militant attitude and arouse the members to work together and not allow selfish desires to keep them from acting as a unit.

"I'm certain that no one will disagree with me," he said, "when I say that our greatest need is a unified, fair, constructive, ethical agency force. Mark my words, and I am not an alarmist, but if the business of stock insurance is to be preserved it must be by joint action on the part of the companies and the producers. If a few company executives continue to act in their past arbitrary manner by which we are considered chattels and slaves, then I predict that the business of stock insurance can never be preserved."

Mr. White urged the classification of companies, rewarding the competent and supporting those standing the highest. "Aside from the soundness of the proposition from a business standpoint, there are at least two other excellent reasons why we should classify our companies. First, under the standards of our civilization, the cheater is unworthy of prosperity; second, we owe

Whispering Propaganda Hit by Superintendent Hanson

INSURANCE STANDING STRAIN

Illinois Superintendent Declares the
Business Is Meeting the Depression
with Great Equanimity

KANKAKEE, ILL., May 18.—The Kankakee local board entertained Insurance Superintendent H. W. Hanson of Illinois at a banquet last evening. There were 46 local agents present. Mr. Hanson spoke of the work of the department and commented freely on the new agency qualification law. Many questions were asked regarding this measure. Another meeting of similar character will be held in June with W. B. Calhoun of Milwaukee, president of the National Association of Insurance Agents, as speaker. W. F. Lockwood of S. E. Moisant & Co., and J. G. Ginger of the Ginger Agency were in charge of the meeting. J. E. Mattimore, state agent of the Phoenix of England, was present as a guest.

Mr. Hanson's Comment

Mr. Hanson said in part: "Insurance like any other business has been subjected to acid tests during the last 100 years. Economic upheavals are not an innovation in American business. Gigantic catastrophes, money panics, inflated values and false standards have many times sought to break down the security of insurance but it has ever been found basically sound and in spite of the character-testing period of 1931 \$4,000,000,000 was deposited in insurance premiums with American companies of

(CONTINUED ON PAGE 8)

a debt to that great army of companies and general agents who have stood by us during all the years which have passed, and are continuing to stand by us, regardless of the inconsistency manifested by hundreds of members within our ranks."

THE WEEK IN INSURANCE

President Justin Peters of the Pennsylvania Lumbermen's Mutual Fire, Philadelphia, nominated chairman of insurance division, U. S. Chamber of Commerce; nomination virtually is election. **Page 3**

United States Chamber of Commerce holds its annual meeting in San Francisco. **Page 3**

Western Insurance Bureau holding annual meeting at Briarcliff, N. Y. **Page 3**

Decision of New York court of appeals in *Factory Mutual Liability vs. Van Schalek* definitely limits extraterritorial jurisdiction of the New York department. **Page 5**

Walter J. Chase has been appointed general chairman of the convention committee of the Philadelphia Insurance Agents' Association in charge of the National association convention to be held there in September. **Page 5**

Precedent in reducing capital set by several leading companies in fire and casualty field expected to be followed soon by many more unless stock market takes upturn and enhances values. **Page 5**

Tennessee tax is to be based on gross premiums, Commissioner Reece advises. **Page 4**

P. O. Landry elected president of Oregon Insurance Agents Union at annual meeting. **Page 6**

William W. Croom, Mobile, elected president Alabama Association of Insurance Agents. J. K. Shepherd, William Quaid and S. Y. Tupper speak. **Page 5**

Wisconsin agents discuss problems in forum at mid-year meeting. **Page 4**

Commissioner Armstrong of Pennsylvania warns that penalties will be inflicted for the writing of fictitious automobile fleets in his state. **Page 30**

Program is announced for the annual meeting of the Nebraska Association of Insurance Agents Friday at Omaha. **Page 19**

W. B. Bailey, economist for the Travelers, suggests at meeting of the United States Chamber of Commerce, that a recognized fraction of the automobile premium should be earmarked for safety work just as with the boiler premium. **Page 29**

President J. S. Kemper, Lumbermen's Mutual Casualty, in a talk before the United States Chamber of Commerce, declared increase in number of fraudulent automobile claims, inability to control highway accidents and to impress the realization on the part of jurors that high verdicts mean increased cost, are the three chief factors responsible for increased automobile insurance cost. **Page 29**

Attitude of local agents toward increased auto public liability rates changed by companies' statements showing investment and underwriting losses; now grant even higher scale may not be adequate. **Page 31**

New Jersey compensation bureau chairman rules companies must conform to methods of writing certain hazardous workmen's compensation risks now employed in several other states. **Page 29**

Ambulance chasers, liberal verdicts and fictitious fleets found basic cause of high St. Louis automobile rates. **Page 31**

Public Indemnity merger with Independence Indemnity is off. **Page 30**

Tennessee to Tax the Gross Premiums, Reece Advises

DEDUCTIONS NOT ALLOWED

No New Licenses Issued in State—
Companies Operating Under
Temporary Certificate

Fire and casualty companies have just received from Commissioner Reece of Tennessee notification that hereafter the premium tax in that state will be based on gross premiums collected without deduction for reinsurance. He takes the position that the tax from the reinsuring companies is a tax upon the premiums involved in another contract and not the tax required by law of insuring companies upon the premiums collected from Tennessee policyholders.

"If you would like to question the legal right of the department to collect this tax in full from you on account of alleged payments in part thereon by the reinsuring companies, you may remit in full as per attached statement, but under protest, and then file with the department such receipts or other specific evidences from the books of the reinsuring companies as you may be able to obtain in proof of your contention," Reece stated.

May Have Conference

"The commissioner will arrange for the counsel of your company to be heard before a committee from the department and the office of the attorney general upon the matter, as well as upon any other matter pertaining to your operation in this state, should you so desire. The remittance will be held so that any refunds which may be allowed can be made."

In March Commissioner Reece notified companies that investigations of their standing would be conducted before licenses would be renewed. The date upon which certificates of authority expired was April 1. No new licenses have been actually issued to the companies and they are operating on temporary certificates.

Several companies have received notification that their licenses would not be renewed but that a conference on the subject could be arranged.

The unusual activity of Mr. Reece was revealed after he filed a petition for receivership against the Missouri State Life.

Fire Association Plans to Readjust Financial Setup

PHILADELPHIA, May 18.—Stockholders of the Fire Association at a special meeting July 20 will consider the recommended reduction in its authorized capital of \$10,000,000 and its issued capital of \$5,600,000 both to \$2,000,000. The \$3,600,000 released from present capital would be transferred to surplus account. They will further consider the exchange of present shares of stock for new shares of the same par value on the basis of 14 shares of present stock for five shares of new stock and the delivery of scrip certificates for fractions of shares. Explaining the action favored by the directors President O. E. Lane says in part:

"Conditions prevailing in the security markets are too well known to call for extended or other comment except to say that our assets have been affected in common with all other financial institutions, and that action similar to the proposals made herein has already been taken by several of the larger and more important insurance companies. Your management deems it imperative that the Fire Association's assets, when valued at current prices, shall produce surplus adequate for present and possible future requirements."

Croom Is Elected Alabama President

Condemn Move to Abolish Insurance Department — Endorse Automatic Cancellation

BACK BANKRUPTCY BILL

Tupper Urges Aid in Maintaining Underwriting Profit—Quaid Emphasizes Keeping Up to Date

NEW OFFICERS ELECTED

President—William W. Croom, Mobile. Vice-President—Ed Jordan, Sylvauga. Secretary—Enoch Morris, Birmingham. Executive Committee—Chairman, C. S. Boswell, Huntsville; legislative, Sylvain Baum, Montgomery; grievance, M. L. Calhoun, Selma; conservation, Peyton Norville, Mobile.

MOBILE, ALA., May 18.—Unanimous endorsement of the proposed automatic cancellation clause and the adoption of a resolution calling on the Alabama delegation in Congress to support the bill making insurance premiums preferred claims in bankruptcy cases, were two outstanding results of the 36th annual convention of the Alabama Association of Insurance Agents here last week. Superintendent Greer was called on to enforce the Alabama agency qualification law, and if there is any doubt as to its legality, President Arthur Mead of the association recommended that the question be carried to the supreme court.

Move to Abolish Department

During the convention it became known that an undercover movement is under way in Alabama to have a special session of the legislature abolish the state insurance department and combine its functions with those of the state banking department. Should such an effort be made it is understood that it is aimed at Superintendent Greer on account of his vigilance in supervising and licensing certain companies. The Alabama association let it be known that it deprecates any such move by adopting a resolution saying that inasmuch as insurance pays upward of \$1,000,000 annually in revenue into the state treasury it merits due consideration in the application of supervisory law.

The association urged "the maintenance and strengthening of the insurance department as a separate and independent entity in the interests of true economy and needed service to the tax paying citizens of Alabama."

Mead Submits Reports

After greetings by Mayor Cecil F. Bates and by Peyton Norville, president of the Mobile board and the response by Past President J. A. Duckworth, Tuscaloosa, President Mead presented his annual report. He urged a national campaign to educate the public to the fact that automobile insurance rates are based upon the cost of automobile accidents. The recent increase in rates has brought much criticism of the companies and resulted in many cancellations, he said, and the agent is now bearing the burden of making an explanation to each policyholder.

Reciprocity Idea Favored

Mr. Mead proposed reciprocity in business as one way of bringing back lines lost to the mutuals and reciprocals. With premium volumes off, he urged agents to resist premium cuts and contended that some contingent fund should be paid the worthwhile agent.

J. K. Shepherd, Little Rock, president
(CONTINUED ON PAGE 13)

Expect Capital Reduction by Many Companies Soon

MOVEMENT ALREADY STARTED

Precedent Set by Leaders in Fire and Casualty Fields Is Significant Action

NEW YORK, May 18.—Such important fire companies as the Continental, Fidelity-Phenix, Niagara, Globe & Rutgers, Great American and Firemen's of Newark already have announced decision materially to reduce present capital figures, while similar action has been recommended by directors of the National Surety among the casualty companies.

That the example of these companies soon will be followed by others, may be confidently expected. It is an open secret that several are already arranging such programs, the application of which would be abandoned only in the event of a sharp and consistent up-turn in the market value of securities, a rather remote possibility from present indications.

Surplus Important Factor

There can be no proper challenge of the wisdom of cutting capital figures in order to strengthen net surplus accounts, for so far as shareholders are concerned the book value of the stock is the same in both cases, while from the assured's standpoint the loss-paying power of the companies is increased. Surplus funds, of course, are available for meeting obligations, while capital cannot be so used.

Many Companies Overcapitalized

That many companies are overcapitalized is unquestioned. This is a direct result of the desire for "bigness" so eagerly followed in all lines of endeavor during the hectic war and early post-war years. Agents and assureds will be as well content, the one to represent and the other to accept, the indemnity of a company with a substantial capital and liberal surplus, as that of an institution in which the capital mounts into large figures, but the net surplus is relatively small.

All companies, large and small alike, are required by law to set aside proper reserves for their unearned liability, and for taking care of incurred and adjusted

Walter J. Chase Is Named as the General Chairman

PHILADELPHIA AGENTS VOTE

Plans Being Formulated for the Annual Convention of National Association of Insurance Agents

PHILADELPHIA, May 18.—Walter J. Chase has been appointed general chairman of the committee of the Philadelphia Insurance Agents Association in charge of the convention of the National Association of Insurance Agents to be held here the week of Sept. 19. He is one of the leading agents of the city and is one of the men largely responsible for the reorganization of the local board.

Others on Committee

Others appointed to the general committee are Kenneth H. Bair, Greensburg, president of the Pennsylvania Association of Insurance Agents, vice-chairman; John K. Payne, president Philadelphia Agents Association; H. T. Wilson, C. T. Monk and Howard H. Kenney, secretary of the Philadelphia association.

The finance committeemen are G. S. Packard, chairman; R. M. Coyle, vice-chairman; Russell Bleakley, C. T. Monk and L. M. Addis.

The publicity committee is composed of J. A. Tift, chairman; Stockton Townsend, C. T. Monk, H. H. Kenney, W. C. Price and W. Bishop.

Kaga Indiana Special

Don P. Kaga has been appointed Indiana special agent of the Home of New York group. He is a graduate of the Northwestern University insurance course of Chicago, having taken it under the auspices of the Home. After his graduation he was sent into the Illinois field and the subagency department. He is a native of Arcola, Ill., and graduated from the high school there. He worked a year or so in his father's general store in that city.

losses, and so long as this is done and a surplus sufficient to meet contingencies be maintained, no good reason exists why an unduly large capital be carried.

Leaders at Bureau Meeting



RALPH RAWLINGS, Cleveland President

Ralph Rawlings, president Monarch Fire of Cleveland, is presiding this week as head of the Western Insurance Bureau at its annual meeting at Briarcliff,



H. A. CLARK, Chicago Chairman Executive Committee

N. Y. H. A. Clark, western manager of the Firemen's group, is chairman of the executive committee and one of the big factors in the organization.

Lumber Paper in U. & O. Criticism

Says Insurers Should Cancel When Need for Coverage Disappears

CITES COAST DECISION

Condemns Companies for Accepting Premium If Don't Expect to Pay Under Policies

OLYMPIA, WASH., May 18.—The Washington supreme court has reversed judgment against five insurance companies under use and occupancy policies covering the Puget Sound Lumber Company amounting to \$6,447. The companies appealed from verdict in the superior court.

Other companies involved in the use and occupancy case and carrying most of the liability successfully defended suit in the federal court last fall. The five companies which were fighting the case in the state courts are the Mechanics & Traders, Svea, Carolina, Caledonian and Victory.

The importance of giving wise counsel to clients in the matter of use and occupancy insurance these days of vanishing earnings is emphasized by an article which appears in the "Pacific Pulp & Paper Industry" magazine, entitled "Use and Occupancy—Is This Class of Insurance the Bunk?"

The article comments on a recent federal court decision upholding the insurance companies in denying liability under a use and occupancy policy covering the Puget Sound Lumber Company of Tacoma, Wash., on the ground that the lumber company had made no profit for more than a year before the fire and that it could not have made a profit or fixed charges and expenses during the month following the fire.

Shouldn't Have Accepted

"The officers of the Puget Sound Lumber Company," the Pacific Pulp & Paper Industry magazine stated, "as well as others who have had difficulty in collecting their use and occupancy insurance, feel that the insurance companies in accepting premiums on this form of insurance were in effect accepting money that they should not have accepted if they did not expect to pay such policies."

The criticism is probably not unjustified. Agents should not sell this insurance or allow it to remain in force when it is not needed.

The Puget Sound Lumber Company carried \$88,300 use and occupancy on its saw mill in Tacoma, with 19 insurers. The fire occurred May 8, 1930. The insurers refused to pay, claiming that the company had made no profit in 1929 or up to the time of the fire in 1930. Fred G. Clarke of Seattle represented the insurers and had the trial of 14 of the companies transferred to the federal court. The claims against the other companies were prosecuted in the superior court and the lumber company won. The superior court held that the company earned its fixed charges and expenses and was entitled to its use and occupancy insurance. Witnesses testified that due to the method of keeping books certain items that had been charged to expense should have been charged to capital account and that if this had been done the company would have been able to show a greater profit.

The manager of the Defiance Lumber Company of Tacoma was a witness for the Puget Sound Lumber Company. He
(CONTINUED ON PAGE 12)

Oregon Insurance Agents Elect P. O. Landry President

RAMSDEN AND MERRITT TALK

McCune Explains New Rating System—
High Store Fire Loss Is
Deplored

NEW OFFICERS ELECTED

President—Paul O. Landry, Klamath Falls.
Chairman Executive Committee—Merrill Olhing, Salem.
National Councillor—J. K. Pratt, Eugene.
Secretary—H. D. Quine, Roseburg.
Executive Committee—Claude Nasburg, Marshfield; C. I. Sigman, Eugene; R. E. Scott, Hood River; C. H. Reynolds, LaGrande; Owen Beam, Albany, and J. C. Collins, Medford.

KLAMATH FALLS, ORE., May 18.—Insurance men from all sections of the state were welcomed by President J. K. Pratt at the annual meeting of the Oregon Insurance Agents Union here last week. R. C. Groesbeck of the Klamath county chamber of commerce praised the insurance men for the part

they have played in constructive progress over the past few years. C. H. Reynolds, LaGrande, Ore., responded and declared that in his opinion the "depression will be over when more business is put over."

A brief report was given by the bank agency committee, which lauded the co-operative assistance of the special agents' committee along this line. R. E. Scott, chairman legislative committee, advised that it would shortly hold a joint session with the Portland Insurance Exchange and a further report would be given after such meeting. It was decided to table the agents' qualification act until after receipt of the New York decision. Chairman Claude Nasburg, administration committee, reported few lapses in membership and an increase in the number of local boards. In touching on acquisition costs he said that the larger companies would find it would eventually react to their benefit not to be too hasty in cutting agents' commissions, and he also deplored the raising of automobile rates without sufficient or in fact any advance notice to agents or the public.

Acts as Clearing House

P. S. W. Ramsden, president California Insurance Agents Association, reviewed the 25 years' history of that organization and the results that had

been accomplished by the united efforts of the over 700 members.

Mr. Ramsden cited instances of how the association had acted as a clearing house for the various companies, passing on the desirability of agents running down, and in some cases entirely out, fictitious fleets, and securing the pledge of various casualty companies not to write doubtful fleet coverage.

Explains New Rating

"The New Rating Procedure of the Oregon Insurance Rating Bureau" was discussed by J. N. McCune, proprietor of the bureau. Due to the action of many "cut raters" rates had been prematurely decreased and Mr. McCune predicted that it would be necessary to bring about a number of raises in the rates on various coverages; and asserted that hazards are always with us. He deplored the reduction being made in a number of smaller cities of the state in the size of the fire department and predicted that this would lead to an increase in incendiary fires and a consequent increase in rates. He also urged the agents to be doubly careful on credits and to not allow the insured to contract for more insurance than he is able to pay for. Mr. McCune also cited the 76 percent loss ratio in Oregon.

Alfred L. Merritt, vice-president America Fore, in a talk on "Immediate

Outlook of Business Conditions as it Affects the Insurance Business," covered a variety of points, stating that today more than ever before, "they who do the most talking know the least about the subject." He cited the rapid growth of agency organizations and urged all locals to affiliate with the National association because its constructive ideas being put in force in the various states had spelled progress in a big way.

Mr. Merritt produced figures showing the losses of the various companies had been tremendous in Oregon the past two years and warned that this condition could not continue. He also said that legislative interference could be expected when higher and more equitable rates are sought. He suggested that companies and agents should work closer together for their mutual protection.

In discussing automobile rates, Mr. Merritt said that in many cases three kinds of persons are driving the same make of car and pay exactly the same rate though one is a "jazz driver," another allows half a dozen members in the family to use the car with a variety of poor driving, and the third, the sedate business man, who is a very conservative driver, but up to the present time there has been no better method of establishing rates.

It is Mr. Merritt's belief that if there were a greater number of high class, educated local agents, there could be fewer special agents and they could cover a larger territory. He stated that rebaters are a bane to the business and that careful legislation is the best remedy to eliminate this as well as other ills of the business.

Check "Gyp" Clubs

J. E. Shelton, secretary Oregon Motor Association, deplored the activities of numerous "gyp" clubs and said that due to the association's activity it had been successful in putting the majority of such "gyp" clubs out of business.

In its resolutions the association condemned the state restoration fund as inadequate and charged it imperiled the financial security of the state. The association went on record as favoring its repeal.

J. M. Sehon, assistant insurance commissioner, reported that there are now some 600 licensed companies in Oregon of all classes, and that the insurance department has been issuing some 19,000 licenses a year to agents.

The association also condemned the practice of allowing agencies in the offices of certain defunct savings and loan associations to continue to handle the insurance in connection with association loans.

Companies Win Weinstein Milling Co. Suit at Peoria

A jury in the United States district court at Peoria, Ill., brought in a verdict for five insurance companies, which denied liability in the burning of the Weinstein Milling Company, Jan. 12, 1931. Charles Weinstein sought to collect \$66,000. The companies pleaded wilful burning of property, violation of the policy provision as to automatic sprinklers and false swearing and misrepresentation after the loss. The insurance companies in the suit were the Springfield F. & M., \$30,000; Continental, \$20,000; American of Newark, \$6,000; Agricultural, \$6,000 and the Marine of England, \$12,000. By stipulation of counsel, the amount of the suit was reduced at the time the case went to the jury to \$10,800.

Attorney Clarence W. Heyl of Heyl & Heyl of Peoria, who represented the companies, declared in his closing argument: "I'd hate awfully to see Charles Weinstein disappointed in the finding of the jury, because I think he planned the fire for a year. Mr. Weinstein had reached the point where he couldn't make any more money out of the business without burning it out."



Says JERRY COLLINS (LOCAL AGENT AT MIDDLETOWN)

"The Columbia Field Man came in the other day and says 'What's your particular problem nowadays, if any? I'm ready to help you'. 'Too much competition' says I. 'All right' says he 'now here are some suggestions'. 'Wait a minute' says I, thinkin' maybe I had given him a too easy one, 'I guess my trouble is really due to the closin' down of the mills'. 'Righto! Here's a plan—he starts, but I interrupts once more just to see if there was any limit to his ideas. 'After all' says I 'my greatest loss has been the dropping of business at expiration. What can I do to stop it?' 'Well' says he 'if you've finally made up your mind, we'll get to work. Here's a letter that's designed to fit just such a situation, and here's a good follow-up talk. And here's a folder that is exactly suited to this community. I'll send you some if you'll agree to do your part'. Well, a week has gone by, and I'm not only holdin' my renewals, but the plan has produced three new lines. Just try to stick The Columbia with a problem: it can't be done!"

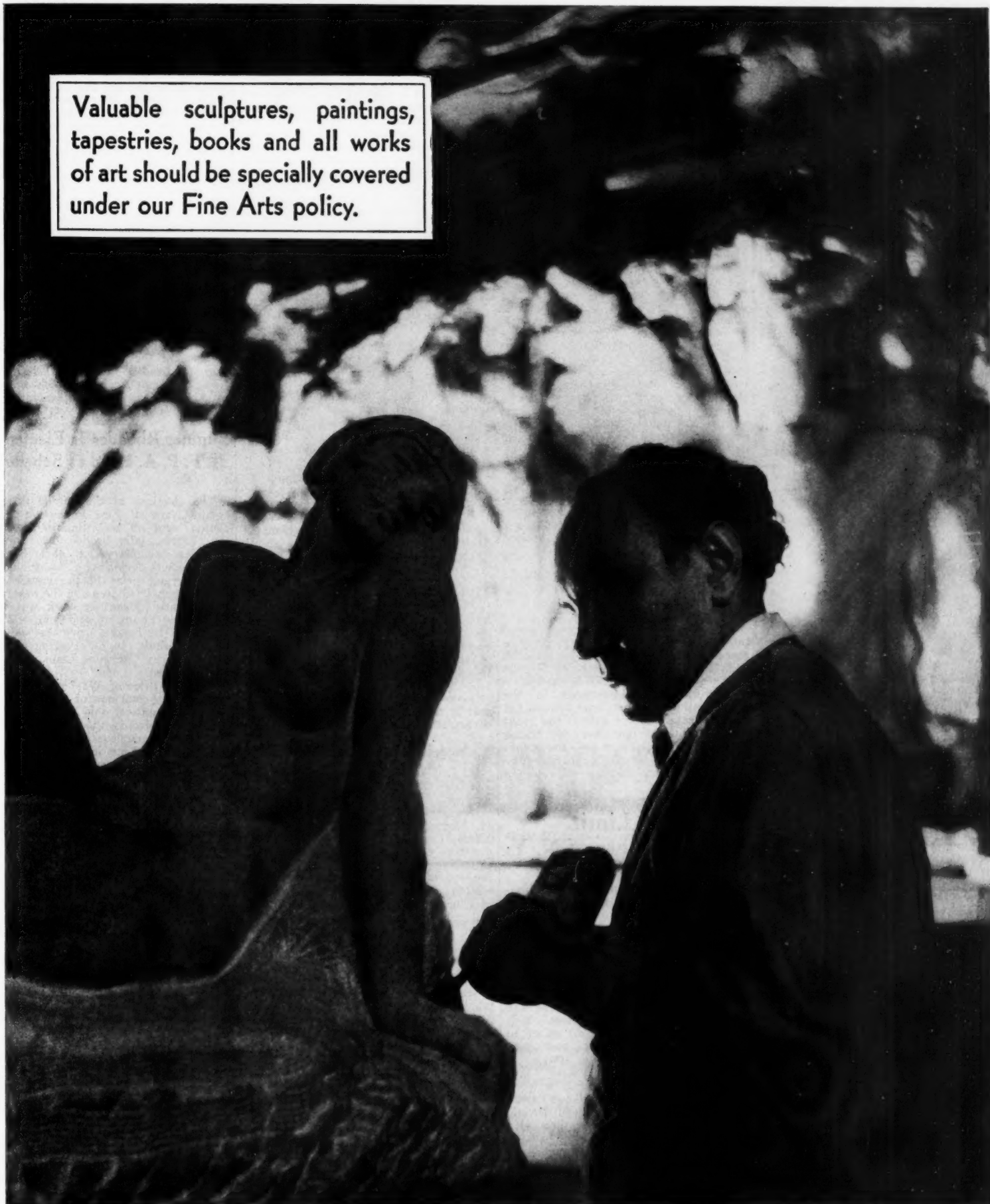
The
Columbia
FIRE
INSURANCE COMPANY
OF DAYTON, OHIO

Organized 1881

Administrative Office, Washington Park, Newark, New Jersey

ONE OF THE AMERICAN GROUP

Valuable sculptures, paintings, tapestries, books and all works of art should be specially covered under our Fine Arts policy.



The AMERICA FORE GROUP of Insurance Companies
 THE CONTINENTAL INSURANCE COMPANY FIDELITY-PHENIX FIRE INSURANCE COMPANY NIAGARA FIRE INSURANCE COMPANY
 AMERICAN EAGLE FIRE INSURANCE COMPANY FIRST AMERICAN FIRE INSURANCE COMPANY MARYLAND INSURANCE COMPANY OF DELAWARE
Eighty Maiden Lane, *New York, N.Y.*
THE FIDELITY AND CASUALTY COMPANY
 ERNEST STURM, Chairman of the Board
 BERNARD M. CULVER, President
 ERNEST STURM, Chairman of the Board
 WADE FETZER, Vice Chairman
 BERNARD M. CULVER, President

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

Kentucky Agents' Program for Their Annual Meeting

MANY SPEAKERS ANNOUNCED

Joint Banquet Will Be Given by the
State Association and the
Field Men

LOUISVILLE, May 18.—The program for the annual meeting of the Kentucky Association of Insurance Agents at the Brown Hotel here June 16-17 is about completed. In connection with this meeting the Kentucky Fire Underwriters Association will hold its annual meeting on June 16, and will stage an honor banquet for the "Old Guard" of field men who have been in company service for 25 years or more, the evening of June 16, with the agents attending. The Kentucky Fire Prevention Association will hold its annual meeting June 16.

The local agents program calls for John S. Long, president Louisville Board, to make the address of welcome. J. H. Gausepohl, Covington, Ky., first vice-president of the state body, will respond.

A report will be made by Secretary Leo E. Thieman. W. A. Reisert, Louisville, as national councillor, will also report, and J. E. Manion, Henderson, Ky., chairman of the legislative committee, will report the recent session of the legislature and other matters.

Other Speakers Scheduled

At the afternoon session William Clark of the audit department, Kentucky Actuarial Bureau, will lead a discussion. W. J. Rayhill of the Louisville Trust Co., a former officer of the Chemical Bank & Trust Co. of New York until last fall, will talk on "Relationship of Insurance to Credit and Banking." W. B. Calhoun, president National Association of Insurance Agents, will speak on "National Association Activities." R. B. Trigg, president of the Kentucky Fire Underwriters Association, will discuss proper cooperation of field men and agents.

The morning of June 17, F. E. Sandford, manager Pioneer Finance Co., will discuss financing premiums on the installment plan. This company is relatively new in premium financing operations, a line taken on when financing of second mortgages became dull.

Fred C. Snapp of Chicago, superintendent of the farm department of the Aetna, will discuss handling of farm insurance. John M. Hennessy, Louisville agent, will report on the mid-year meeting of the National association, and discuss the reciprocity movement in business.

Holland Made Special Agent

R. B. Holland, Des Moines, has been named a special agent of the Minneapolis Fire & Marine, G. A. Holland, Des Moines, state manager, his father, has announced.

Prudential Is Reinsured

OKLAHOMA CITY, May 18.—The Prudential of this city has reinsured its business in the Liverpool & London & Globe. Thomas E. Braniff, well known insurance man, is president of the Prudential.

E. P. Davis Is Dead

E. P. Davis of Des Moines, special agent for the North America in eastern Iowa, died Tuesday night in the Iowa Methodist Hospital, Des Moines, following an appendectomy Thursday. He was about 35 years of age and had been with the North America ten years, starting with the National Security. Funeral will be in Des Moines Thursday afternoon.

U. S. Supreme Court Rules on Profits From Property

WASHINGTON, D. C., May 18.—Gains by insurance companies from sale of property are taxable when realized, and increases in value of property can not be transferred to capital account when the property was acquired before and disposed of subsequent to enactment of a revenue law, it was held May 16 by the U. S. Supreme court. Two cases involving the point were disposed of by the opinion, brought, respectively, by the Alliance of Philadelphia and the Insurance Company of the State of Pennsylvania to recover income taxes for 1928 alleged to have been illegally exacted.

Under provisions of the revenue acts of 1913, 1916, 1917 and 1918, stock fire companies, it was explained in the decision, were taxed upon their income, including gains realized from sale or other disposition of property, accruing subsequent to March 1, 1913, but under the revenue acts of 1921, 1924 and 1926, gains from property of such companies were not subject to tax. Under the revenue act of 1928, however, gross income of companies other than life or mutual was defined as including "gains during the taxable year from the sale or other disposition of property."

Companies' Contention

The two companies in 1928 disposed of property acquired by them in previous years and contended that so much of the increase in value as accrued prior to Jan. 1, 1928, when the act became effective, was capital, and could not constitutionally be taxed.

Following a decision by the district court, the cases were appealed to the third circuit court of appeals, which, in turn, asked the Supreme Court to state whether, in computing the gain in these transactions, the basis to be used was fair market value as of Jan. 1, 1928, and, if so, were provisions of the 1928 act unconstitutional as taxing capital.

Answering both questions in the negative, the Supreme Court pointed out that realization of the gain is the event which calls into operation the taxing act, even though part of the profit realized in one accounting period may have been due to increase of value in an earlier one.

Court Sets Limit to Powers of N. Y.

(CONTINUED FROM PAGE 3)

asserted however, "ignoring the limitation expressed in the statutes, and invoking a power which is purely legislative, steps beyond the boundary lines of the state and undertakes to regulate and control the business of insurance companies in other states."

The action of the court of appeals in sustaining the decision of the trial court definitely limits the authority of the New York department to matters within its home state, and ends all effort to dictate as to what insurance companies may or may not do in other states.

The application of the Factory Mutual Liability for entry into New York was made Nov. 19, 1930, and was denied soon thereafter by the late T. H. Behan, acting superintendent at the time. By virtue of his death Mr. Van Schaick was made party to the litigation.

Whispering Propaganda Hit By Superintendent Hanson

(CONTINUED FROM PAGE 4)

which 62 percent was returned to the policyholders by way of death claims, endowments, annuities, etc. What could be a more eloquent appraisal of the genuine worth of insurance?"

"The mails of the insurance department daily carry inquiries into companies against whom a whispering propaganda has been lodged. It is well as I have indicated to be zealous in your

solicitation of business, but I charge you that to overstep the bounds of propriety invites destruction and chaos which will ultimately reflect to your embarrassment and impaired earning capacity.

"I am confident that out of the unfortunate economic stress which in my judgment it is prudent to observe, there will emanate a new branch of leadership, a new freedom of thought that will point the way back to a land of happy people, back to the land of diversified industry and employment. I am equally confident that the institution of insurance will reap a harvest unheralded and uncomparable in history, surpassing our fondest hopes and most cherished desires."

I. U. B. Official Changes

B. M. Culver, president of the American Fore companies, has been appointed a member of the governing committee of the Interstate Underwriters Board to succeed Paul L. Haid.

John F. Stafford, western manager of the Sun, who retired as chairman of the executive committee of the Western Underwriters Association, automatically retires from the I. U. B. governing committee. He is succeeded by John C. Harding, western manager of the Springfield F. & M., who is the new chairman of the executive committee of the W. U. A.

Likewise change in the officers of the Pacific Board causes the new president, A. T. Bailey, North British & Mercantile, to be a member of the governing committee of the I. U. B. in place of McClure Kelly, North America.

Merchants Fire, N. Y.

NEW YORK, May 18.—Directors of the Merchants Fire of New York recommend reducing the capital from \$4,000,000 to \$1,750,000 and stockholders will consider the proposal at a meeting May 27. The plan is to change par value of the 300,000 shares of common stock from \$10 to \$2.50 a share, thereby releasing \$2,250,000 to net surplus. There will be no change in the \$100 par value of preferred shares.

American Motorists Election

F. J. Heitmann, president Heitmann Lumber Company of Chicago; L. G. Purmort, secretary Central Manufacturers Mutual of Van Wert, O., and F. H. Ludwig, president Merritt Lumber Yards, Reading, Pa., are added to the directors of the American Motorists of Chicago. F. A. Barker, field superintendent of the central department, is elected assistant secretary and G. H. McClure, formerly assistant secretary and manager of the auditing department, is elected assistant treasurer.

National Board's Loss Report

NEW YORK, May 18.—Fire losses in the United States last month, as tabulated by the National Board, aggregated \$43,822,233. While materially less than the figures for March, the record was 5.79 per cent greater than for April, 1931, confirming previous reports from virtually all companies that losses for the period were exceedingly heavy, considering the season.

The following table shows the losses for the first four months of the year:

	1930	1931	1932
Jan.	42,344,035	44,090,449	39,224,783
Feb.	43,206,940	41,776,051	39,824,622
March	42,964,392	44,074,362	49,189,124
April	43,550,996	41,423,764	43,822,233
Total	172,066,363	171,364,626	172,060,762

New Company Projected

The General States Fire of Omaha is in process of organization. C. O. Talmadge, head of the General States Insurance Agency, which is general agent for the Sussex and the National American of Omaha, is the main factor.

The Kasner Agency, Detroit, has been incorporated by Leo M. Biggs, Lydia M. Biggs and J. G. Ferris, Pleasant Ridge.

A. B. Banks Will Serve His Time in the Penitentiary

LITTLE ROCK, ARK., May 18.—With failure of the final effort of A. B. Banks, for many years one of Arkansas' leading financiers, to escape a year's imprisonment on a charge of accepting deposits in a bank he knew to be insolvent, it was announced by him at his home in Fordyce Monday that he will "submit humbly to the decision of the court" and that he will be ready to begin serving the sentence when commitment papers are issued.

A motion, filed in the Arkansas supreme court a month ago by attorneys for Mr. Banks asking for a rehearing of his appeal decided adversely April 4, was overruled Monday.

Mr. Banks was president of the American Exchange Trust Company, which closed Nov. 17, 1930, and of a chain of more than 40 banks in the state, most of which closed simultaneously with collapse of the Little Rock bank. He also was head of the Home Life, Home Fire and Home Accident which operated in Arkansas as well as several other southern states.

Sumner Rhoades Is Elected N. F. P. A. Head as Scheduled

The elections at the annual meeting of the National Fire Protection Association went off according to schedule, the entire slate headed by Sumner Rhoades, secretary of the Eastern Underwriters Association, being elected.

The grand prize in the competition among school children for the best posters on fire prevention work was won by Andrew Young, 18 years old, of Pawtucket, R. I. Second prize was won by Lillian Rolinis, 16, of Pawtucket, and third prize by Cornelius Leonard, 17, of Des Moines.

David J. Price of Washington, D. C., reporting as chairman of the farm protection committee, said that a serious situation confronts the farmers in the form of growing loss on farms by fire. "The farm damage in 1930 was about 20 percent higher than in 1929 and the indication is that the 1931 record will show a greater total," he said.

Mr. Price estimates the annual waste in 1929 from farm fires at about \$100,000,000 and that the loss in rural communities of 2,500 and under exceeds \$160,000,000, making an aggregate of more than \$260,000,000, which is more than 50 percent of the entire annual national fire.

The association emphasized the danger involved in peddling gasoline from tank trucks on the street and recommended that the municipalities exercise the greatest supervision of the practice.

Advisory Members Named; Tallahassee Office Opened

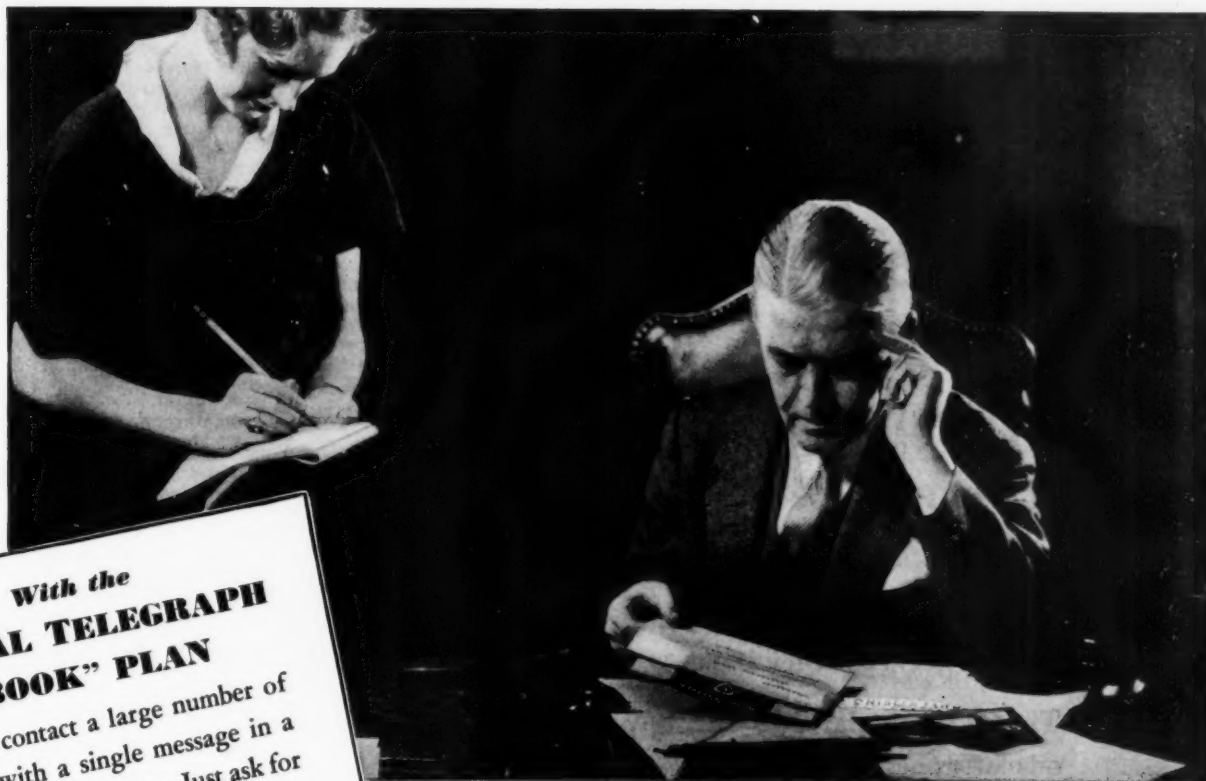
B. K. Clapp, of Atlanta, general manager of the southeastern department of the Fire Companies Adjustment Bureau, announces as members of its 1932 advisory committee: W. R. Prescott, chairman; C. A. Bickerstaff and S. Y. Tupper, all for two-year term, and Dowdell Brown and E. N. O'Beirne for one-year term. A sub-office of the adjustment bureau has been opened at Tallahassee, Fla., in charge of C. R. Woolery, formerly attached to the Jacksonville branch. He will continue to work under the general direction of Manager J. L. Murphy of the latter office.

Nicoll Visits in U. S.

J. G. Nicoll, general manager of the Scottish Union & National, accompanied by Mrs. Nicoll and their daughter, arrived Monday for a visit to the United States headquarters of the company at Hartford.

PREMIUM PAYMENTS

"Due But Not Paid?"



**With the
POSTAL TELEGRAPH
"BOOK" PLAN**

you can contact a large number of people with a single message in a mere matter of minutes. Just ask for a Postal Telegraph Representative.

...use **POSTAL TELEGRAPH** for **ACTION**

• If a man has merely forgotten to send a check for his premium payment, he's not likely to forget a Postal Telegram. If he is "out" to anything else, he's always "in" to a Postal Telegram. If he pays those first who press hardest for payments ...he has a special respect for Postal Telegrams.

So...use Postal Telegraph. Use it because the Postal Telegram focuses attention directly on

what you have to say...and by its very nature impels a prompt reply. Use it to get *action*.

Through Postal Telegraph you can reach 70,000 places in the United States and 9,000 in Canada. Through the great International System of which Postal Telegraph is a part, you can contact the entire world with accuracy, dependability...and speed.

Postal Telegraph is the only American telegraph company that offers a world-wide service of coordinated record communications under a single management. Through the great International System of which Postal Telegraph is a part, it reaches Europe, Asia, The Orient over Commercial Cables; Central America, South America and the West Indies over All America Cables; and ships at sea via Mackay Radio.



THE INTERNATIONAL SYSTEM

Postal Telegraph

Commercial
Cables



All America
Cables

Mackay Radio

They buy

RESIDENCE BURGLARY

insurance

A fear of burglars is common to most people. Even when their possessions would not yield a very rich "haul," they realize that there are always thieves who would be glad to get what they have.

This is particularly so during periods of general unemployment and deprivation.

If you have solicited your more well-to-do prospects for this coverage, go after those in more moderate circumstances. Today, no one is indifferent to losing what he has.

You will find Residence Burglary an income-producer.



Indemnity Insurance Company
of North America

PHILADELPHIA

CAPITAL \$1,000,000

VIEWED FROM NEW YORK

By GEORGE A. WATSON

EXCHANGE APPROVES PLAN

The New York Fire Insurance Exchange has approved extension of multiple location risk coverage to profits and commissions under exchange forms and rates. Many members of the exchange have received requests for this type of coverage from their assured.

Writing of use and occupancy under other than approved forms at double the approved form rate was adopted. Such form must contain either a total suspension clause limiting liability to not exceeding 1-300 per diem or not exceeding 1-52 weekly, or a 100 percent coinsurance clause.

Rates on office tenants in upper stories of fire-proof office buildings containing approved stand pipes were reduced to correspond more closely with the rates on similar tenants on lower floors.

Inclusion under inland marine contracts of fire insurance coverage of the purchaser's interest beyond the period of installation in the case of installation risks, is prohibited.

NEW YORK DEPARTMENT DINNER

The New York department held an alumni dinner last Friday attended by more than 50 present and past members of the staff, including Superintendent Van Schaick, five of his predecessors and many deputies and examiners. The superintendent, guest of honor, talked briefly. J. M. Lown of Cabell, Ignatius & Lown, former deputy, was toastmaster. Others who spoke were: J. J. Hoey of Hoey & Ellison, former deputy; C. E. Heath, secretary Standard Surety & Casualty, former chief examiner; Chris Rehman, secretary Hartford County Mutual Fire, and C. P. Butler, second deputy superintendent.

The five former superintendents present were W. H. Hotchkiss, J. S. Phillips, now president Great American Indemnity; F. R. Stoddard, New York City arbitrator for the casualty and surety cost conferences; J. A. Beha, general manager National Bureau of Casualty & Surety Underwriters, and Justice Albert Conway of New York supreme court.

LICENSE IS REVOKED

Convicted of violating the insurance law in "negotiating for and placing risks with the American Merchant Marine, which it was not licensed to represent," the Apollo Underwriters of New York City has had its license revoked by the department.

T. C. MOFFATT'S MOTHER DIES

Mrs. Lucy D. Moffatt of Ridgewood, N. J., the mother of Thomas C. Moffatt, prominent Newark agent and past president National Association of Insurance Agents, is dead. Mr. Moffatt is receiving condolences from his many friends throughout the country.

SUITS ON EARTHQUAKE LOSS

Denial of liability for the losses caused at Managua, Nicaragua, through the severe earthquake that visited the city something over a year ago, by fire companies has caused the filing of several suits against both American and British offices by certain property-owners, who insist upon collecting damages, despite the clause in the fire policies expressly exempting liability on the part of the carriers for loss through earthquake. The total damage created by the earthquake is estimated at \$2,000,-

WILL PURCHASE

Interested in purchasing a small brokerage insurance business in Chicago. Give all details in first letter. Address **W-46**, The National Underwriter.

000. As various of the more important structures in the city, notably those occupied by foreign banking and mercantile institutions were insured under all-risk covers, these claims have been disposed of. The actions now pending are to determine the liability, if any, of the fire companies writing the ordinary fire contract used in the country, which bars recovery for claims caused by earthquake.

J. F. BISBEE IS HONORED

In appreciation of his 50 years' service with the America Fore companies, J. F. Bisbee, of the Brooklyn office was given a testimonial dinner, at which S. P. Eisenmann, manager of the department acted as toastmaster. On behalf of the administration Chairman Ernest Sturm presented the honor guest with a handsome watch, suitably inscribed, at the same time making an appropriate and inspiring address. H. E. Maxon, vice-president in charge of the metropolitan territory, also spoke in praise of the loyal and efficient services of Mr. Bisbee.

Strong Plea for Contingent Plan Voiced by Mead

MOBILE, ALA., May 18.—President Arthur Mead made a strong plea to the Alabama Association of Insurance Agents' annual convention on behalf of contingent commissions. "The decrease in commissions on certain lines in some sections, and with further reductions contemplated, presents a most serious question," he said, "and we should take a firm stand to see that our interests are safe-guarded before it is too late. With our premium volume off it is difficult for the average agent to keep going under the present commission rate. Any cut makes the situation impossible. Let us hope that some day the worthwhile agent, who intelligently underwrites his business and makes a reasonable underwriting profit for his company, will be rewarded with a contingent based on a method that is fair both to the agent and to the company. This plan of compensation is just and equitable. It would eventually weed out the incompetent agents, and the companies would profit by better underwriting.

"The recent increase in automobile rates has resulted in the cancellation of many policies and brought much criticism of the companies. The insuring public is entitled to have the facts and figures which justify this increase. This information should be given through a national campaign to educate the public to the fact that automobile rates are based upon the cost of automobile accidents, a factor largely within the control of the public. A campaign of this kind would go a long way towards relieving the agent of making an explanation to the assured everytime a policy is delivered. It would be a means of impressing upon the public the importance of observing safety regulations and traffic laws and would let them see the effects of courts and juries in awarding unreasonable damages."

Calhoun's Speaking Dates

William B. Calhoun, Milwaukee, president of the National Association of Insurance Agents, has been invited to address the annual meeting of the Kentucky Association of Insurance Agents at Louisville, June 16-17. Last week Mr. Calhoun was guest speaker at the midyear meeting of the Wisconsin Association of Insurance Agents at Oshkosh, Wis.

AS SEEN FROM CHICAGO

DANNE & CO. MOVE OFFICE

William C. Danne & Co., well known Chicago local agency, has moved into new and more commodious quarters in A-1516 Insurance Exchange, occupying a space of about 1,250 square feet, which was formerly used by the Seaboard Surety. William C. Danne and L. W. Linquist operate the Danne & Co. agency, which has been in the north building on the seventh floor for ten years.

CHANGE IN FIRE COURSE

Clem E. Wheeler, associate general agent in the west for the Hartford Fire, reported at the managers' banquet of the Alpha Chi Epsilon fraternity in Chicago that the plan under which the fire insurance course in Northwestern University school of commerce has been operated will be changed next year. The course has been of two years duration. Next year, those who are now completing their first year, will be permitted to finish their work, but a new class will not be started. In the future some plan may be worked out whereby the course will be of four years duration, the first two years to be devoted to more general study and the last two years to specialization in fire insurance.

Despite the change in plan, the managers' banquet, as usual was a delightful event. C. R. Tuttle, western manager of the North America, was toastmaster. The retiring president of the chapter, Alex Graham, who is attached to the North America, and the president elect, Donald Watson, who is connected with the Fireman's Fund, were called on. There was a tribute to the late J. K. Lesch, who was manager for the Home of New York in Chicago.

Among the speakers were Dean Heilman of the Northwestern University school of commerce; C. F. Thomas, manager of the Western Underwriters Association; C. R. Street, western manager of the Great American; Charles P. Holmes, instructor in the fire insurance course, who is attached to the Western Actuarial Bureau, and Levering Cartwright, THE NATIONAL UNDERWRITER.

TO PATRONIZE AUTO DEALERS

A joint committee from the Western Loss Association and the Automobile Superintendents Club of Chicago is now giving consideration to a plan whereunder repairs of insured automobiles in that city would be referred to dealers and distributors who are the official representatives of the automobile manufacturers. J. W. Burden, automobile superintendent of the Hartford Fire in the west, is chairman of the joint committee. J. A. McClelland, loss superintendent in the west for the Great American, is vice-chairman. The committee is in contact with the Chicago Automobile Trade Association. It will report its recommendations later.

Although the number of automobile thefts in Chicago has not decreased, automobile insurance men are gratified at the increasing number of convictions of automobile thieves in the courts. There were 2,605 arrests in connection with automobile thefts during the first four months of this year in Chicago and 1,002 convictions. Many of the thieves are boys and heretofore great leniency has been shown. Now, however, the courts seem to be taking a sterner attitude. There were 11,548 automobile thefts in Chicago the first four months and 10,186 recoveries.

TAKE OHIO STATE LIFE

Law Brothers, 844 Rush street, Chicago, have been appointed general agents for the Ohio State Life of Columbus. This firm is well known among Chicago insurance people. When Mr. Law represented the Illinois Life a few years ago he was one of its leading pro-

ducers, and was elected president of the "Green Signal" club and the \$100,000 club in the same year. This office has also done a general insurance business, but now is concentrating much effort on life insurance.

BLOSSOM BACK FROM COAST

G. W. Blossom, Sr., chairman of the board of Fred S. James & Co. of Chi-

cago, arrived at his office this week after a winter spent in southern California.

BOARD FIELD DAY JUNE 7

The Chicago Board's annual field day will be held June 7 at Big Foot country club, Lake Geneva. As usual, it will be a golf tournament and outing. The fellowship committee, headed by Rockwood Hosmer, is in charge. C. D. Lasher, Chicago manager for the Home of New York, has been admitted to vote in the Chicago Board in place of the late J. K. Lesch of Lesch & Hurd,

and his election as a class 1 member is expected soon.

Manager J. A. Kelsey of the Tokio and Standard of New York in New York City, has been spending a number of days in Chicago.

Vice-President Frederick O'Brien of the Lincoln Fire, is spending a few days at Excelsior Springs, Mo. Vice-President Harold M. O'Brien is on a trip to the Pacific Coast.

Build your canvass on visual selling. Write The National Underwriter for information on the Accident & Health Sales Pictorial.

A tribute from an agency* which is entering its twenty-first year as our representative



"Why do we represent the 'Agricultural'?"

"Because it is a Corporation with a soul. There is a personal touch—an individual interest evinced—on the part of every one connected with it from the President down to the office boy. There is a consideration shown for the 'other fellow's' point of view, and a consistent courtesy in handling business matters, that induces a real family feeling among its representatives.

"The steady and consistent growth of the Company; its careful underwriting policy; its excellent treatment of loss claimants; the wide variety of coverages written by it; the exceptional carrying facilities; renders it an institution that is pleasant and profitable to represent, and one that any agent should seek to become affiliated with and proud of his connection. In fact the name 'Agricultural' is synonymous with all that is successful, substantial and honorable in the Insurance Business."

* Name on request.

Agricultural
Insurance Company
of Watertown, N.Y.

NEWS OF THE COMPANIES

Industrial Being Reinsured

Dallas Company Selling Business to Aetna of Hartford and Will Be Liquidated

The outstanding business of the Industrial of Dallas has been reinsured by the Aetna of Hartford as of May 9 and the Texas company will be liquidated. It started in 1925 and in 1930 had \$463,000 premium income, which, however, dropped to \$359,000 in 1931. Loss ratio throughout its history has been normal and underwriting competent, but expenses were high. The stockholders decided there was little prospect of building a large company.

L. R. Munger is president. Edward Wright, vice-president and general manager since early in 1928, who has just resigned to become Texas state agent for the National Union, for 16 years before going with the Industrial was special and state agent for the Aetna of Hartford. L. R. Munger, Jr., is secretary treasurer and T. W. McAfee, assistant secretary. The company, licensed

in Alaska, California, Idaho, Missouri, Colorado, New Mexico, Oregon, Texas and Washington, has been writing fire, tornado, tourist baggage, explosion, earthquake and automobile

Aetna Issues New Statement Using Actual Values May 1

The Aetna has issued a new financial statement based on actual market value of stocks and bonds as of May 1. Assets are \$41,840,132, consisting of bonds and stocks \$35,810,968; real estate \$1,035,000; cash \$1,377,031; amounts due from agents \$3,323,501; interest accrued \$180,000; other admitted assets \$113,630.

Outstanding losses are \$3,021,723; expense and tax reserve \$560,000; unearned premiums \$20,107,867; capital \$7,500,000 and net surplus \$10,650,542.

Dividends Are Passed

The Bankers & Shippers and Pacific Fire, both members of the Meserole

group, have omitted quarterly dividends. Both companies have been paying dividends at the rate of \$4 a year.

Federal Union Gets \$500,000

The head office of the Liverpool & London & Globe has paid \$500,000 into the Federal Union. This increases the assets of the Federal Union to about \$3,000,000 and surplus to policyholders to more than \$1,600,000 on Dec. 31 market values, according to the announcement. The L. & L. & G. acquired the Federal Union several years ago.

The Western Underwriters Mutual of Kansas City and the Allstate Fire of Chicago have been licensed in Ohio.

Lumber Paper in U. & O. Criticism

(CONTINUED FROM PAGE 5)

testified that his firm made a little money in 1929 and during the early part of 1930.

The insurers introduced as witnesses two lumber company managers who testified that operations had been slightly profitable in 1929 and early 1930, but commencing about May they were unable to make a profit.

The manager of the Puget Sound Lumber Company testified that the books did not accurately reflect the fact that many items had been erroneously charged to expense instead of the capital account, such as new decks on the docks, new stringers, piling and various other expenditures around the plant.

Attorney Clarke maintained, in addressing the jury, that the Puget Sound Lumber Company should have canceled its U. & O. when it found there was no profit in the business.

"The Puget Sound Lumber Company's use and occupancy insurance case has focused attention upon this form of protection," the Pacific Pulp & Paper Industry magazine points out. "In this connection it is interesting to note that Attorney Clarke last September suggested to the insurance companies that they give serious thought and study to the question of their use and occupancy policies. He pointed out that inasmuch as in his opinion many companies were not making any profit or even fixed charges and expenses, it should be the duty of the insurance companies to call the attention of policyholders to the provisions of the policy which provide that payment of use and occupancy insurance is contingent upon the company making profits or fixed charges and expenses."

"Attorney Clarke pointed out that enmity is created when courts decide that insurance companies need not pay the use and occupancy insurance to which the insured think they are entitled. Attorney Clarke stated that as a result of temporary business conditions, use and occupancy insurance which normally is a splendid protection for a business firm, is coming in for a great deal of criticism."

Superintendent Hanson Is Threatened in Note

SPRINGFIELD, ILL., May 18.—Agents of the postoffice division of the United States department of justice are endeavoring to uncover the identity of the writer of a letter, mailed at Newton, Ill., to Harry W. Hanson, state superintendent of insurance, threatening him with death. The letter was received early last week, but was kept secret during the preliminary stages of the investigation.

The letter consisted of a single sheet of paper, typewritten with the words, "We got Picco. You're next." Enclosed was a newspaper clipping with an account of the slaying of John M. Picco, Italian consular agent of this city, who, on a recent Saturday night, was shot and instantly killed.



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150 William Street, New York

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Time-tested Depression-proof

An Insurance Company that has endured and prospered for 150 years is a good one to represent.

You can expect such a Company to continue in the future to uphold proper practices and co-operate with its Agents as it has in the past.

One hundred and fifty years means more than age—it means experience, sound and sane judgment, underwriting skill.

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COMPLETE
AUTOMOBILE PROTECTION
FIDELITY
AND
SURETY BONDS

Desirable
general agency
contracts
available in
unallotted territory

S—
AFETY
SATISFACTION
SERVICE

Whatever any
other companies
do for their agents
within the bounds of
sound, ethical business
and good underwriting
practice, we will do.

FIRE
WINDSTORM
AUTOMOBILE INSURANCE

AMERICAN
INDEMNITY
COMPANY
GALVESTON

Croom Is Elected Alabama President

(CONTINUED FROM PAGE 5)

American Association of General Agents, advised agents to constantly strive to improve their fitness for service. President Shepherd declared that an agent is not selected for the usual qualifying virtues but for his knowledge of local conditions and his willingness to secure a desirable or paying business for his company.

William Quaid, vice-president Southern Fire, stated that the word "agent" does not adequately express the part played by him in the insurance business. He emphasized the importance of the agent keeping up with the business and stated he was impressed with the fact a few agents control most of the business and they are the ones who attend the conventions. Mr. Quaid added that many people think of insurance as an indefinite and intangible thing but that it is a commodity and is as real as a bumper on a car or a sprinkler system and goes much further than either of these.

All Bad Laws Shelved

In his annual report Sylvain Baum, chairman executive committee, reported that of 24 unfriendly laws introduced in the 1931 session of the Alabama legislature none became law.

On the positive side he stated the association fathered the safety responsibility law patterned on the standard of the American Automobile Association. It passed the senate but met defeat in the house. A bill to regulate reciprocals was favorably reported but the legislature adjourned before it could be brought to vote.

Mr. Baum announced receipt of a telegram from Senator Hugo Black of Alabama, member of the senate committee on banking, announcing his support of the measure to set apart insurance premiums as preferred claims in bankruptcy cases.

Julian Waxes Warm

Frank N. Julian, president Bankers Fire & Marine and former insurance commissioner, is the nestor of the insurance fraternity in Alabama and a notable figure at all conventions. In his usual mingling of wit and sarcasm he pointed out that not only lawyers, bankers, teachers and real estate men have to qualify before a state board, but more recently barbers and plumbers, also. Yet he pointed out that insurance men who represent more wealth than all the bankers are having trouble in putting such a law into effect.

Underwriting Profit Discussed

S. Y. Tupper, Atlanta, Ga., southern manager Royal, defined the American agency system as a medium through which companies and agents may carry on an honest business at a profit. The shrinkage of security values has made an investment profit hard to obtain, he said, and consequently underwriting profit is more important than ever.

Among the millstones to an underwriting profit is the operation expense, which he said, is too great and by the law of economics must come down. He pointed out that the mutuals are writing for less since they have less taxes and operate with a less expensive set-up than that allowed stock companies. He also added that underwriting profit is affected by the keen competition between companies.

Since underwriting profit runs only about 5 percent in good years companies must be especially careful in bad years, he said. Mr. Tupper reminded the agents that the companies have certain rights. He cited instances where companies had been pitched out in the streets for refusing to approve of practices manifestly unfair and unsound. He mentioned particularly the pressure to pay claims not covered in the contract. He counseled agents to have a care for unpaid balances which in nor-

mal times, he said, could be loaned out at a fair profit to the company.

Charles L. Gandy, who has attended every convention for 13 years as an active worker, was warmly received as chairman of the executive committee of the National association. He presented a convincing picture of the work carried on by local, state and national boards. He pointed to Birmingham as the largest city in the world that insures all its property up to full insurable value exclusively with stock companies. This was the work of the Birmingham Board, he said, and the city's loss ratio is now 63 percent.

Eliminating Bad Agents

The problem of barring unworthy agents is not an easy one, declared Superintendent Greer, in relating his experiences in regulating agents. A man's character is sometimes hard to get at, he stated, and the superintendent may be held accountable should he err in this respect. He said companies are asked to advise when an agent's license is cancelled "for cause" and that another company may be given a source in which to investigate provided this same agent applies for license.

His plea of last year that more public education on insurance and insurance losses is needed was made again by

Superintendent Greer. He pointed out that \$9,000,000 was paid during 1931 in Alabama for casualty insurance and that more than this amount was paid out in claims. This startling fact and the resulting increase in rates is due, he believes, to carelessness, maliciousness and recklessness, all backed up by ignorance. He recommended an insurance text book in the public schools.

Julian on Agents' Law

President Frank N. Julian of the Bankers Fire & Marine of Birmingham gave consideration to the agents' qualification law, in his address before the Alabama agents. Agents are told that the law is unconstitutional, he said, but lawyers, teachers, accountants, real estate agents, cosmetologists, barbers and plumbers, for instance, must be qualified and meet certain statutory requirements.

The agents' association, with the aid of the insurance superintendent, should insist on the enforcement of the qualification law, he said. Superintendent Greer, he declared, is in thorough sympathy with the agents in building for better practices and ethics. He has publicly stated his interest in the efforts of the agents to bring about betterment in their business. The qualification law, he said, is a regulatory statute that seeks to protect not only the agent but the public. The first section of the

law, which defines an agent, has been on the books since 1907 with no adverse decisions rendered. The other sections, he declared, are the same as the law in effect four years in Connecticut and no constitutional question in that state has been invoked.

Birmingham presented the only invitation for the 1933 convention, the place to be selected later by the executive committee.

ALABAMA CONVENTION NOTES

The buffet luncheon Thursday was an entertainment feature furnished as per annual custom by Frank N. Julian, president Bankers Fire & Marine, Birmingham. A banquet and dance was held in the evening.

Sylvain Baum, chairman legislative committee, is now a lieutenant colonel on Governor Miller's staff.

A. H. Turner, well known southern manager of Atlanta, was one of "the boys" on the boat trip.

The all-day boat trip Friday to and from Dauphin Island was the crowning entertainment feature of the convention.

Although the convention was held at one end of the state the attendance was as good or better than the average of the past four years. About 200 agents and other company representatives attended.

INCORPORATED 1799 PROVIDENCE WASHINGTON INSURANCE COMPANY of Providence, R. I.

Capital \$3,000,000

Surplus to Policyholders, \$6,049,041

INCORPORATED 1928 ANCHOR INSURANCE COMPANY Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

Capital \$1,000,000

Surplus to Policyholders, \$1,353,608

Each of these Companies writes the following classes of Insurance

FIRE—TORNADO—OCEAN and INLAND MARINE

AND THEIR ALLIED LINES

AUTOMOBILE—FIRE, THEFT and COLLISION

COMBINED POLICIES

AUTOMOBILE—FULL COVERAGE GOLFERS' EQUIPMENT and LIABILITY

.WITH

MARYLAND CASUALTY COMPANY

INCORPORATED 1832 VIRGINIA FIRE AND MARINE INSURANCE COMPANY

Richmond, Va.

Capital \$500,000

Surplus to Policyholders, \$859,607

FIRE
SPRINKLER LEAKAGE

TORNADO
AUTOMOBILE INSURANCE

WESTERN DEPARTMENT: 175 W. Jackson Blvd., CHICAGO, J. R. Cashel, Manager

THE NATIONAL UNDERWRITER

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Associated
Business Papers



National Publishers
Association

Effect of Asset Depreciation

THE reduction in capital on part of a number of prominent companies will undoubtedly be followed by others in order to get their financial structure on a basis more in keeping with present day values. This action is due entirely to shrinkage in securities. Companies have to pay their losses and expenses with actual dollars. On the other hand their assets are composed of securities which for the most part were worth in days gone by considerably more than par, in fact several times par in some instances, but they have been undergoing a shrinkage during the last two and a half years and a sharp depreciation at different

periods during the era of deflation.

Therefore these securities which were purchased at a much higher price cannot be sold at the present day at anything like the cost price. Companies during the prosperous years increased their capital and surplus very materially. At that time it was in keeping with the business demands. With the very sharp shrinkage now in assets, surplus funds are greatly affected and in some cases entirely wiped out. Therefore companies find it necessary to readjust their structure so that a truer picture can be presented, an action thoroughly in line with the times.

No Spot Is Tornado-Proof

IN the magazine section of the Atlanta, Ga., "Journal" a short time ago there was an article entitled, "Why Atlanta is Tornado-Proof." It was an interview with C. F. VON HERRMANN, weather forecaster, who took the position that a windstorm of any velocity would not harm Atlanta because tornadoes cannot travel over rough country. The weather forecaster said: "When one of them runs into one of those ridges its tail bounces into the air. If a tornado came directly toward us it would be destroyed by our barrier of hills or else

would coast noisily but safely over the city without hitting the ground."

Whether Forecaster VON HERRMANN has his weather mechanics well in hand we would not attempt to say. There have been many communities that have been supposedly tornado-proof. People have gone on that assumption and yet on some drab day a tornado developed that caused terrific damage. It is a dangerous idea to get in mind that any community is free from the ravages of a severe wind. Absolute safety is only a relative term.

Quitter Never Wins: Winner Never Quits

MANAGER J. A. DIEFENBACH of the MUTUAL LIFE of New York at Davenport coins epigrams and has inspirational messages that are encouraging in these days of sore trial. At his recent convention Mr. DIEFENBACH stressed the thought that "a quitter never wins and a winner never quits." There is scarcely a person who is not affected in some way or other by

this unusual economic and business storm. This probably is the greatest testing time that our country has ever seen. It is a time that really tries men's souls to the utmost. It certainly is a day when the winners will survive. And the winners will be those who stick steadfastly to their task with courage, determination and zeal.

PERSONAL SIDE OF BUSINESS

J. K. Shepherd, president American Association of Insurance General Agents, has been elected vice-president of the chamber of commerce in his home city, Little Rock, Ark.

J. Philip Bird has been elected president of the New Jersey Manufacturers Association for his 20th term. Mr. Bird is president of the New Jersey Manufacturers Association Fire and New Jersey Manufacturers Association Casualty.

W. E. Kingsley, Jr., has arrived in the home of **W. E. Kingsley**, manager of the Travelers Fire at Louisville.

The agency of **George D. Clayton & Sons** at Hannibal, Mo., celebrated its 49th anniversary on May 7. On May 7, 1883, George D. Clayton purchased the insurance business of the late J. P. Richards, with whom he had been associated. The firm is now composed of Mr. Clayton and his sons, R. M. and George D., Jr. Since the establishment of the agency it has represented the Fidelity & Casualty and Continental. Owing to the senior Clayton's illness, the celebration which had been planned for the occasion, was abandoned. George D., Jr., is vice-president of the Missouri Association of Insurance Agents.

Arthur S. Baty, former comptroller at the head office of the American Central, has opened an office in the Corn Belt building at St. Louis where he will specialize on accounting and auditing, giving particular attention to insurance in all its branches. Mr. Baty has had a long and wide experience in insurance work.

F. R. Morgaridge, assistant to the general manager of the National Board, died at his home in Glen Ridge, N. J., at the age of 59. He had been in poor health since suffering a stroke about three years ago. He joined the National Board in 1917, after having served for six years as assistant state fire marshal of Illinois. With the National Board, he was given charge of the special agents investigating suspicious fires. He was instrumental in preparing the model arson law. He helped in interesting cities in the organization of arson squads in their police departments.

He was born in Illinois in 1873 and was a teacher for several years before becoming assistant state fire marshal there.

Judge C. T. Warner, Ohio superintendent of insurance, was unsuccessful in his campaign for the Democratic nomination for common pleas judge at Columbus. Because of illness in his family, Judge Warner was unable to make an aggressive campaign. He had served one term on the common pleas bench.

R. R. Ross, Kansas state agent for the Agricultural with headquarters in Wichita, died suddenly in Kansas City. Mr. Ross was a prominent member of the Central Kansas Field Men's Club of Wichita and a number of the field men attended the funeral in Kansas City, his former home. A number of years ago Mr. Ross was with the Central States Fire of Wichita.

J. B. Levison, president of the Fireman's Fund group, is representing the National Board at the convention of the U. S. Chamber of Commerce in San Francisco this week. **George Jordan**, marine secretary of the same group, is representing the American Institute of Marine Underwriters and the Association of Marine Underwriters.

John J. Hammond, 51, special agent for the Fireman's Fund in northern

California with headquarters in Sacramento, died suddenly from a heart attack. He had been with the Fireman's Fund 31 years, starting at the head office as a messenger boy. After 10 years in the head offices in San Francisco he was placed in charge of the Sacramento valley, where he remained until his death. A number of company officials and employees attended the funeral.

W. K. Maxwell of Chicago, assistant western manager of the Hanover Fire, and Mrs. Maxwell have gone to Oxnard, Cal., to visit their son, who is an attorney there. Mr. Maxwell will be away for about five weeks.

Morton T. Jones, president of Kansas City Fire & Marine, who has been ill for the past two weeks, is now recuperating and will return to his office within the next few days.

Arthur C. Wallace, Illinois state agent for the New Hampshire, died at his home in Chicago Sunday at the age of 47. He was one of the most popular field men in Illinois and his illness was followed solicitously by many insurance men. Mr. Wallace returned to work some time ago, after recovering from an oral operation, but in a few weeks he suffered a recurrence that resulted in his death.

Mr. Wallace started in the business with the Queen in Chicago. In 1913 he was appointed state agent for the Queen in Missouri and in 1921 joined the North British & Mercantile in the Illinois field. In 1923 he became connected with the New Hampshire. He was president of the Illinois Fire Underwriters Association in 1927-28.

The funeral was conducted under Masonic auspices. The pallbearers were all old field friends of Mr. Wallace, they being C. T. Wright, Great American; A. R. Rathslag, Fire Association; B. J. Lingenfelder, America Fore; A. R. Miller, America Fore; G. A. Miehle, Commercial Union, and A. G. Gabrielson, America Fore.

Thomas Whitehill, who started in with the Citizens of Missouri back in 1873, when its main office was at 2 South Main street, St. Louis, has now completed 59 years of continuous service with the company. In 1929 the Citizens was moved to New Jersey, but retained an office in St. Louis. Mr. Whitehill continued with the St. Louis office.

Laurence E. Falls, vice-president of the American of Newark, is back at the home office after a trip through the middle western territory with Western Manager Robe Bird.

J. M. Haffen, a prominent business and civic leader of the Bronx, New York, who died May 15, was a director of the Bronx Fire, one of the Corroon & Reynolds companies which merged with the New York Fire, another member of the group, some months ago.

E. J. Hicks, Michigan state agent for the New York Underwriters, died May 14 in Detroit. Mr. Hicks had been in the Michigan field for that company for 25 or 30 years and was one of the best-known of the veteran company representatives. Mr. Hicks was taken ill at Saginaw some two months ago. When he returned to Detroit he was confined to a hospital for a time but was apparently convalescent and was removed to his home where death occurred after a sudden turn for the worse. Funeral services were held there Tuesday.

Mr. Hicks was a close friend of Commissioner C. D. Livingston who was formerly in the field for the Royal Exchange and was known to practically all field men and most of the leading local agents in Michigan.

Cash Value --

at the Time of Loss

CASH value at the time of loss is what an insurance company contracts to pay in a policy. It is glad to pay, too, when a loss is honest. When property is over-insured, it pays only cash value, and when under-insured, its share of the cash value at the time of loss, as determined by coinsurance.

Simple as this is, it is nevertheless a source of difficulty to insurance because of public misunderstanding. Sometimes the over-insured feels that since he paid a certain premium he should collect in full, while the under-insured may feel that he should receive at least the face value of his policy.

Fire insurance continues to pay its losses in the usual way. It is not delaying,

except when a loss is suspicious or dishonest.

Such action in these times of stress is winning public favor. People are learning many things about stock fire insurance. Among them, that it is a business organized to weather economic storm and stress or conflagrations, and that the interest of the policyholder is uppermost in its mind, as indicated by the loss payment record. Excuses for delay could be found readily enough, but they are not needed.

In short, the insuring public knows that insurance always pays cash value at the time of loss and lives up to the letter and spirit of its contract.

AMERICAN EQUITABLE ASSURANCE COM-
PANY OF NEW YORK
Capital \$1,000,000.00

IMPORTERS & EXPORTERS INSURANCE COM-
PANY OF NEW YORK
Capital \$1,000,000.00

MERCHANTS AND MANUFACTURERS FIRE
INSURANCE COMPANY
Newark, N. J. (Chartered 1849)
Capital \$1,000,000.00

GLOBE & REPUBLIC INSURANCE COMPANY
OF AMERICA
Philadelphia, Pa. (Established 1862)
Capital \$1,000,000.00

KNICKERBOCKER INSURANCE COMPANY
OF NEW YORK
Capital \$1,000,000.00

NEW YORK FIRE INSURANCE COMPANY
(Incorporated 1832)
Capital \$1,000,000.00

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FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Building Bond Bill Is Passed

State Assumes No Liability for Loss in Explosion at State Office Structure

COLUMBUS, O., May 18.—When the Ohio legislature met Monday to amend the state banking laws in order that closed Ohio banks might obtain loans from the Reconstruction Finance Corporation, Governor White also asked it to authorize the issuance of state bonds within the \$750,000 constitutional limitation to finance the reconstruction and completion of the state office building, which was damaged by an explosion about two months ago. A bill authorizing the bond issue has already been passed by both houses.

Various agencies are at work seeking to determine the cause of the explosion, and numerous conferences have been held between state officials and others interested in the reconstruction of the building and the fixing of the blame for the accident.

Three causes for the blast have been set forth, high explosives, sewer gas and natural gas. The loss on the building was first placed at \$1,000,000. Fire insurance of \$300,000 was carried, but there was no explosion insurance.

The attorney general and the building commission had previously announced that the contractors had refused to go on with the repair of the building unless funds were provided. The passage of the bill in no way, it was specifically stated by officials, assumes the state's responsibility for the explosion. The bill becomes effective immediately upon the governor's signing it. The state office commission in a revised estimate put the loss on the building at \$650,000. The commission intimated that financial responsibility for the disaster will not be fixed until after long litigation.

Give Dual Capacity Decision

No Waiver of Dual Agency Unless Insurer Knows Agent Owned Property Insured

The West Virginia supreme court of appeals has held that a fire policy issued by an insurance agent on his own property is voidable at the option of the insurer upon discovery by it of the agent's dual capacity. Waiver of the dual agency or ratification of the policy will not be imputed to the insurer unless it appears by the preponderance of the evidence that it had full knowledge that the agent owned the property he insured at the time of the issuance of the policy, or before the fire which destroyed the property and did not promptly repudiate the policy contract. The case was *Henshaw vs. Globe & Rutgers*.

Swearingen was the agent. In 1926, the Globe & Rutgers took over the risks of the Home Fire & Marine in about 36 fire policies written through Swearingen, agent for the Home F. & M., including a policy of \$50,000 dated Jan. 16, 1926, to Blanchett Motors on its stock of new and used cars. State Agent Douglass of the Globe & Rutgers negotiated the transfer of the risk.

Before this assumption of risk by the Globe & Rutgers, Blanchett Motors was incorporated as Blanchett Motor Car Company and Swearingen became the nominal owner of one share of stock and was selected as director and president, although he seems to have been director and president in name only.

On Jan. 24, 1927, Swearingen and a Mr. Hiatt bought the capital of the motor car company with the exception of one share, making them equal joint owners. The fire occurred March 10.

The crux of the case is whether the Globe & Rutgers knew that Swearingen was the owner of the cars. There is no evidence, according to the court, that Douglass knew of the existence of this policy.

Tuscarawas County Activity

Under the auspices of the board of education of New Philadelphia a complete survey and inspection of the remaining rural schools in Tuscarawas county will be conducted early next month. Blanks for making the inspection have been furnished by the Ohio Fire Prevention Association from its supply on hand. Need for the activity is emphasized by the fact that three rural schools of the county burned the past year.

Davis Talks to Field Men

John E. Davis, president of the National Guarantee & Finance Co., will address the Ohio Blue Goose and members of the field clubs at their meetings in Columbus June 6.

Both the Blue Goose and the Union field club will elect officers at the June meeting.

Guardian Fire Incorporated

The Guardian Fire of Cleveland has been incorporated by R. A. Williams and nearly 40 others to write fire, explosion and allied lines. The company plans to start business with \$175,000 capital.

Ruling on School Calls

DAYTON, O., May 18.—City Attorney Beane holds that school authorities in the Dayton school district which lies outside the city's corporate limits hereafter will be required first to summon township fire apparatus owned by the townships in which the school property is situated in case of fire, before calling on the city department for help.

A survey has been ordered to learn which of the outlying districts have their own protection.

Delay Cincinnati Equitable Change

COLUMBUS, O., May 18.—Attorney General Bettman has returned to the secretary of state without his approval

the amended charter of the Cincinnati Equitable, which was chartered by special act of the legislature in 1827. Originally the company insured property in only a certain section of Cincinnati. Now it wishes to write insurance anywhere.

Preparing West Virginia Program

Harlan Justice, Huntington, W. Va., secretary West Virginia Association of Insurance Agents, and H. H. Keim of Elkins, president, are now preparing the program for the annual meeting to be held at Elkins, June 6-7. Frank R. Bell of Charleston, former president National association, is the national councillor.

Ralph Richman to Speak

The Monday noon Ohio Blue Goose luncheon in Columbus, May 23, will be addressed by Ralph E. Richman, manager of the Cincinnati office of THE NATIONAL UNDERWRITER. He will speak on "The Value to Special and State Agents of Insurance Company Advertising in Insurance Journals." Mr. Richman had been scheduled to give this talk at a meeting last month but was unable to be present at that time.

Agency Changes at Youngstown

The Gardiner-Reynall Insurance Agency, Youngstown, O., has been purchased by the Bruce Company. Officers of the organization now are George O. Bruce, president; L. M. Locher, secretary, and George I. Gardiner, vice-president.

The Eckert-Reed-Porter Insurance Agency at Youngstown has been dissolved, M. H. Eckert taking over part of the companies the agency represented and Glenn M. Porter the others.

Two Ohio Towns Inspected

An inspection was held Wednesday of this week at Painesville, O., and on Thursday at Napoleon. At Painesville, the chamber of commerce, Rotary Club, Kiwanis Club, American Legion and other civic organizations cooperated.

Ohio Notes

The A. E. Harris agency, Verona, O., has been sold to F. W. Flommersfeld.

R. V. White has sold his agency at Middlefield, O., to S. F. Laraway.

The name of the Daugherty-Oakley Insurance Agency, Nelsonville, O., has been changed to the Oakley-Oakley Insurance Agency, with P. G. Oakley and R. V. Oakley as the proprietors.

The F. A. Stratton Insurance Agency at Mt. Orab, O., has been transferred to L. E. McNair. Mr. McNair is a member of the Bechtol & McNair agency at Williamsburg, but will conduct the Mt. Orab agency as a separate institution.

CENTRAL WESTERN STATES

License Law Rulings Issued

Superintendent Hanson of Illinois Clarifies Some Phases of Enforcement of Agents Law

Superintendent Hanson of Illinois has issued five new rulings in connection with the enforcement of the new Illinois agents and brokers license laws and has rescinded an earlier ruling requiring the postal authorities expressly to authorize the postal employee to be licensed as an agent.

One of the new rulings quotes the national banking act to show that national banks in cities of less than 5,000 population are authorized to act as agents and

that the department therefore will issue licenses to them.

Another ruling holds that an employee of a licensed agent or broker may, if qualified, be licensed as an agent in his own name, provided he is not licensed as a solicitor; that a solicitor cannot be licensed as an agent or broker and that a licensed agent or broker shall not be licensed as a solicitor.

Another ruling expressly holds rebating as contrary to public policy. The ruling holds that commission or brokerage or other valuable consideration in connection with the placing of insurance may not be paid or allowed to other than a licensed agent or broker or a licensed solicitor.

As to non-resident brokers, one of the rulings states that in the absence of a

statute which requires the licensing of a resident of Illinois as an insurance broker in a foreign state, a resident of such foreign state may be licensed as an insurance broker upon proper qualification and qualification within Illinois.

One of the rulings points out that the agents' license law permits a corporation or partnership, if organized under the Illinois law, to be licensed as agents and requires such applicant to designate not less than two officers, directors or partners who solicit Illinois business or receive brokerage or commission thereon to be designated in section 5 of the application blank and a license fee must be paid for each and each must sign the affidavit on the last page of the application blank.

As to Illinois corporations or partnerships with non-resident officers, directors or partners, the corporation or partnership may be licensed if qualified providing there are two resident officers or directors in a corporation or two resident partners in a partnership who are designated to act for it. Where the non-resident officers, directors or partners solicit Illinois business or receive commission or brokerage thereon, they must be licensed as non-resident brokers, if qualified, but shall not be authorized to sign policies for the corporation or partnership.

Sons Continue Weadock Agency

SAGINAW, MICH., May 18.—The Weadock Insurance agency, founded by the late G. Leo Weadock, former president Michigan Association of Insurance Agents, will be continued by two of his sons, George W. Weadock, II, and J. T. Weadock. The former will manage the business. George Weadock has had extensive insurance experience, having attended the Aetna Casualty & Surety school at Hartford and later having been connected with the Aetna Chicago and Pittsburgh offices and with the Detroit office of the Fidelity & Casualty. Since last summer he had been assisting his father in the agency here, where James Weadock also obtained agency experience.

Detroit Directory Ready

The 1932 edition of the Detroit Insurance Telephone Directory, published by THE NATIONAL UNDERWRITER, is off the press. Copies may be secured by writing either the Detroit or Chicago office of THE NATIONAL UNDERWRITER. Four cents postage should be included with the request.

Plan for Joint Outing

DETROIT, May 18.—Arrangements for the annual joint outing of the Casualty & Surety Field Club of Michigan, the Detroit Association of Insurance Agents and the Surety Underwriters Association of Michigan will be made at a meeting of the outing committees of these organizations tomorrow. The Casualty & Surety Field Club has been holding these outings for some years and last year invited the Detroit Board and the surety men to join them.

Merrill to Open Agency

E. S. Merrill of Belvidere, Ill., former Illinois field man, who was at one time president of the Illinois Field Club, is establishing a new general agency there and will represent only Western Insurance Bureau companies.

Change in Peoria Agency

H. B. Jamison, member of the firm of Roswell Bills & Co., Peoria, Ill., local agents, has retired from that firm, selling his interest to H. R. Woodward and S. H. Kinzie, his former partners, who will continue the business under the present firm name. Mr. Jamison had

LOYALTY GROUP

JANUARY 1, 1932 STATEMENTS

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d Vice Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL \$18,795,380.00 ORGANIZED 1855 SURPLUS TO POLICYHOLDERS \$32,306,202.99

NEAL BASSETT, Chairman of Board
 HENRY M. GRATZ, President
 JOHN R. COONEY, Vice-Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

THE GIRARD FIRE AND MARINE INSURANCE COMPANY

ORGANIZED 1853 \$ 1,000,000.00 \$ 2,034,545.17

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice-Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

ORGANIZED 1854 \$ 600,000.00 \$ 1,226,248.02

NEAL BASSETT, President
 JOHN R. COONEY, Vice-Pres. ARCHIBALD KEMP, Vice-Pres. HERBERT A. CLARK, Vice-Pres. H. R. M. SMITH, Vice-Pres.
 W. E. WOLLAEGER, Vice-Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

ORGANIZED 1866 \$ 1,000,000.00 \$ 1,563,520.84

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice-Pres. HERBERT A. CLARK, Vice-Pres. H. R. M. SMITH, Vice-Pres.
 W. E. WOLLAEGER, Vice-Pres. HERMAN AMBOS, Vice-Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

SUPERIOR FIRE INSURANCE COMPANY

ORGANIZED 1871 \$ 1,000,000.00 \$ 1,603,338.23

NEAL BASSETT, Chairman of Board
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

ORGANIZED 1870 \$ 1,000,000.00 \$ 1,751,660.54

NEAL BASSETT, Vice President
 CHARLES L. JACKMAN, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice-Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

THE CAPITAL FIRE INSURANCE COMPANY

ORGANIZED 1888 \$ 300,000.00 \$ 511,958.09

NEAL BASSETT, Vice-President
 CHARLES L. JACKMAN, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice-Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

ORGANIZED 1905 \$ 100,000.00 \$ 137,264.60

NEAL BASSETT, President
 JOHN R. COONEY, Vice-Pres. ARCHIBALD KEMP, Vice-Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice-Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

MILWAUKEE MECHANICS' INSURANCE COMPANY

ORGANIZED 1852 \$ 2,000,000.00 \$ 4,967,756.04

NEAL BASSETT, Chairman of Board
 J. SCOFIELD ROWE, Vice Chairman
 H. S. LANDERS, President J. C. HEYER, Vice President WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President
 E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3rd Vice Pres't S. K. McCLURE, 3d Vice Pres. T. A. SMITH, Jr., 3rd Vice Pres. F. J. ROAN, 3rd Vice Pres.

THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

ORGANIZED 1874 \$ 1,000,000.00 \$ 2,009,866.67

NEAL BASSETT, Chairman of Board
 JOHN R. COONEY, Vice-President
 H. S. LANDERS, President WINANT VAN WINKLE, Vice President J. C. HEYER, Vice President
 E. G. POTTER, 2d Vice Pres. T. A. SMITH, 3rd Vice Pres. FRANK J. ROAN, 3rd Vice Pres. E. R. HUNT, 3rd Vice Pres. S. K. McCLURE, 3rd Vice Pres.

COMMERCIAL CASUALTY INSURANCE COMPANY

ORGANIZED 1909 \$ 1,000,000.00 \$ 1,814,648.30

WESTERN DEPARTMENT
 844 Rush Street, Chicago, Illinois
 HERBERT A. CLARK, Vice President
 H. R. M. SMITH, Vice President
 JAMES SMITH, Secretary

CANADIAN DEPARTMENT
 461-467 Bay St., Toronto, Canada
 MASSIE & RENWICK, Ltd., Managers

EASTERN DEPARTMENT
 10 Park Place
 NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
 220 Bush Street,
 San Francisco, California
 W. W. & E. G. POTTER, 2nd Vice Presidents
 F. E. BRISBINE, Res. Vice President
 FRED W. SULLIVAN, Secretary

SOUTH-WESTERN DEPARTMENT
 912 Commerce St., Dallas, Texas
 OLIN BROOKS, 2d Vice President
 BEN LEE BOYNTON, Res. Vice President
 A. C. MEEKER, Secretary

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U. S. Manager and President

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Est. 1845

ROBERT R. CLARK, U. S. Manager
EXECUTIVE OFFICES: HARTFORD, CONN.

1794 1932

THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA
PHILADELPHIA, PA.

Annual Statement January 1, 1932

Reserve for Unearned Premiums	\$2,082,507.62
Reserve for Losses, etc.	678,921.47
Reserve for Security Values	1,500,000.00
CASH CAPITAL	1,000,000.00
NET SURPLUS	1,204,994.67

TOTAL ASSETS\$6,466,423.76
SURPLUS TO POLICYHOLDERS \$2,204,994.67

Acquire
THE "OLD STATE OF PENN"

been a member of the firm for the last 20 years, having joined the agency in 1912. Mr. Woodward joined the firm July 1, 1924, prior to which he traveled as special agent in Illinois and northern Indiana for W. A. Alexander & Co. of Chicago. He is secretary of the Peoria Insurance Agents Association.

Mr. Kinnie has been engaged in insurance work for the last 20 years, having started in the business at Bloomington, Feb. 1, 1912. He went to Peoria in 1929, as a member of the Roswell Bills & Co. firm. He is on the membership committee of the Illinois Association of Insurance Agents. The Roswell Bills & Co. office is the oldest agency in Peoria, having been established by Roswell Bills in 1850.

Start Michigan Membership Drive

DETROIT, May 18.—The new membership plan of the Michigan Association of Insurance Agents starts operation this month. Service pledge blanks were distributed to members attending the Lansing meeting last month, followed by mail distribution to those who were not present. So far 63 of these pledges have been signed and returned to Secretary Brown's office, agreeing to give five days' time to calls on agencies whose names and locations are being furnished by Mr. Brown's office.

Lynch Returns to Springfield

SPRINGFIELD, ILL., May 18.—Ray L. Lynch, who until recently was staff adjuster of the General Exchange, covering both Davenport, Ia., and Chicago territories, has resigned to join the Associated Adjustment Bureau, of this city.

Mr. Lynch is a native of Springfield and previous to going with the General Exchange was engaged in adjustment and underwriting work here for several years.

Warning on Immediate Deposit

DETROIT, May 18.—Members of the Michigan Association of Insurance Agents have been warned by George Brown, executive secretary, to deposit checks received for premiums immediately on receipt, due to the present

banking situation in the state. Some instances have come to light where checks were held for several days before deposit and returned because of the insolvency of the bank between the time of the issuing of the check and its presentation for payment. No legal recourse is possible in Michigan, since the law requires the presentation of checks for payment within a "reasonable" time of issuance. In some sections a "reasonable" time has been held to be 24 hours.

Tribute to Woman Agent

The Peoria "Daily Record" paid tribute to Emily A. Niehaus, a local agent in that city, who represents a number of excellent companies. She succeeded Adolph Trefzger & Co. The agency was established in the early '70s as the Jaeger-Potthoff agency. Mr. Trefzger acquired it in 1898 and changed the name to the Trefzger Insurance Agency. Miss Niehaus became associated with the agency at that time. Five years ago she took it over and has operated it under her own name. Miss Niehaus employs no solicitors. She does the soliciting and supervises all her work.

Urges Stock Cover for Hotels

DETROIT, May 18.—Detroit hotel owners and operators should concentrate their fire insurance with stock companies, M. V. MacKinnon, manager of the Wardell Hotel and chairman of the insurance committee of the Greater Detroit Hotel Association, told that organization at its last meeting.

The stock companies have exhibited a genuine interest in the efforts of the hotel associations of the country to secure a reclassification of hotel buildings under a separate heading, which will materially lower fire rates on fireproof structures of this character, Mr. MacKinnon pointed out, while the mutuals have not shown a favorable attitude.

Fire at **Centralia, Ill.**, this week caused about \$200,000 damage. It started in a furniture store just across a 70-foot street to the Joy printing establishment which was sprinkled. The sprinklers did good work and the loss on the Joy risk was about 30 percent.

STATES OF THE NORTHWEST

To Tax "Insurance Funds"

New Wisconsin Law Requires Contribution to Pension Funds by Chain Stores and Large Firms

MADISON, WIS., May 18.—Insurance funds established by chain organizations and other large firms to offset fire losses, and maintained in place of regular fire insurance to protect their own properties, will be required to pay contributions into pension funds of various fire departments in Wisconsin, according to Commissioner Mortensen. These funds previously paid no dues or taxes to the state, but under legislation enacted by the last legislature the commissioner has been authorized to locate and collect such tax from these funds.

Dodge County Agents Meet

Twenty members of the Dodge County Insurance Agents Association attended the monthly banquet at Hutisford, Wis. H. C. Nurnberg, Milwaukee, discussed "The Automobile Fire and Theft Policy."

Rogers & Field Get Yorkshire

The Rogers & Field general agency of St. Paul has been appointed Minnesota general agent for the Yorkshire. Frank S. Rogers of the agency has just returned from the east, where he completed the arrangements. Minnesota has

been handled for the Yorkshire by William A. Taylor, whose headquarters are at Milwaukee, and who also has traveled Wisconsin.

South Dakota Fire School

The South Dakota fire school will be held at Rapid City, June 6-10. Among the speakers will be Governor Green of South Dakota, State Fire Marshal C. R. Horswill and Superintendent J. R. Townsend of the St. Paul salvage corps. There will be tests, demonstrations and various lines of instruction.

Hearing on Kiel, Wis., Rates

At a hearing at Kiel, Wis., May 19, Frank R. Daniel, chief engineer of the Fire Insurance Rating Bureau, Milwaukee, is discussing fire insurance rates with citizens. Although rates were generally reduced at Kiel, inspections of some properties resulted in increases, on which protests have been made.

Thiemer Introducing McFarland

Karl P. Thiemer, superintendent of agencies in the western department of the American of Newark, is spending the week in Minnesota introducing J. G. McFarland, the American's newly appointed state agent for Minnesota.

The **Kaufman Agency**, Milwaukee, has been incorporated by M. Kaufman, A. Previant and R. M. Kaufman, and the **Western Insurance Agency**, Milwaukee, by J. E. Cohen, D. Steuerwald and J. E. Cohn.

IN THE MISSOURI VALLEY

Program of Nebraska Agents

Annual Meeting of the State Association to Be Held Friday Next in Omaha

President J. B. Hillers of the Nebraska Association of Insurance Agents has announced the program for the annual meeting to be held at the Hotel Fontenelle at Omaha on Friday of this week. J. H. Friedel, president Omaha Association of Insurance Agents, will give the welcome and the response is to be made by C. J. Bachoritch of Fairbury. President Hillers will give his address and will also provide a report of the National convention at Los Angeles. R. C. Alexander, of Omaha, national councillor, and chairman Nebraska executive committee, will give a report of the mid-year meeting at Cleveland. R. E. Dominy of Hastings will give the secretary's report. C. S. Morrow of Kearney will talk on the subject, "What action should be taken on commission reduction pertaining to the farm business—casualty—surety bonds?" E. R. Heflin will speak on "What will we do about the automobile rate situation?" P. K. Walsh of Omaha will speak on "Our Public Relations." There are a number of subjects listed for general discussion. In the evening will be held the annual banquet.

Bunten Chosen President of Iowa Field Organization

The Iowa Fire Underwriters Association has elected new officers, J. H. Bunten, Fire Association, being president; L. A. White, Royal, vice-president, and A. M. Upham, L. & L. & G., secretary and treasurer. The executive committee consists of W. H. Faulkner, U. S. Fire; W. H. Harrison, National of Connecticut; G. A. Holbrook, North America; L. E. Newendorp, North British; T. A. Hites, Boston and Old Colony.

Explain Credit Association Service

WICHITA, KAN., May 18—Representatives of the Wichita Retail Credit Association were speakers at the meeting of the Wichita Insurors last week, explaining the privileges of the membership recently taken by the Wichita

board. The credit bureau recently formed by the Wichita Insurors has been abandoned and its work will be handled through the Wichita Retail Credit Association in the future. Weekly bulletins will be mailed to the member agencies, listing the names of assureds whose policies have been cancelled for non-payment of premiums as reported by the individual agencies. All such names will go on the card records kept by the Credit Association.

Kansas Losses Increase

Kansas fire losses for April increased nearly 50 percent over April, 1931, according to State Fire Marshal Graham. Losses were \$260,644 compared with \$179,067 in 1931, but \$84,000 less than in March.

Dwelling fires continue to lead, exactly 50 percent of the fires reported in April being in dwellings, resulting in a loss of \$102,201.

Welsh Back With Oldroyd

KANSAS CITY, MO., May 18.—Tom Welsh, formerly manager here for the National Union, and more recently Missouri special agent, has resigned. He is purchasing the insurance interests of the Ralph Oldroyd agency at Arkansas City, Kan., and will manage it. Mr. Oldroyd will continue to manage the investment department of the agency. Mr. Welsh formerly had charge of the insurance department of the Oldroyd agency.

McCann Opens Branch at Topeka

James E. McCann of the McCann Adjusting Company, Fidelity Bank building, Kansas City, Mo., announces the opening this week of a branch office in the Insurance building, Topeka, Kan. This office will operate under the name of the McCann Adjusting Company with Polk Williams in charge.

Department Examiner in Charge

LINCOLN, May 18—Commissioner Herdman says that O. G. Osborne, examiner for the Nebraska department, will remain in charge of the affairs of the Lincoln Hail Association, control of which was released to the state by the owners after a suit charging fraudulent conduct had been filed, and that no li-

Need A GOOD Prospect List? Here's a Way - - -

We've just published a booklet called "Prospect and Mailing Lists" for you. It tells who your prospects are, where to get their names and a simple method of keeping your list up-to-date. The booklet is based on actual experience and it's yours for the asking.

This is just one of the ways that the London Assurance and the Manhattan make a real effort to help their agents. We follow a plan that boils down to this: If we help our agents in every practical way we can, they'll help us to more and better business.

It seems to work. We've been going strong now for two hundred and twelve years—sixty years in the United States. We've always operated here by the American Agency System. That works, too.

Won't you send, now, for "Prospect and Mailing Lists" the booklet we've published for American Agents? It may improve your methods a little—and every little bit helps nowadays. Just clip out this advertisement and pin it to your business card or letter-head.

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BOSTON
PITTSBURGH

DETROIT
COLUMBUS
INDIANAPOLIS
CLEVELAND

MONTREAL
PHOENIX
WINNIPEG
LONDON

DULUTH

SAN FRANCISCO
LOS ANGELES
PORTLAND
SEATTLE
VANCOUVER

quidating agent will be named. As soon as the audit is complete, policyholders will be called together to decide whether to continue, to liquidate or reinsure. The company had large cash balances on hand.

Firebug Busy at Sioux City

SIOUX CITY, IA., May 18.—Extra police and firemen have been placed on duty as a precaution against the activities of a firebug, who is believed to have been responsible for starting three blazes here. Two downtown paint, glass and wallpaper stores were set afire, but one of the fires failed to burn and the other was put out by the sprinkler system before becoming serious. An hour later another fire destroyed a lumber yard, broom factory and several homes.

All three fires were of incendiary origin and fire officials are convinced all are the work of one man.

McFarland Introduces Successor

J. G. McFarland, former Kansas state agent for the American, who has been transferred to the Minnesota field, spent last week in Kansas with Shelby Holmes, his successor, formerly with the Dulaney, Johnston, Yankey & Priest agency at Wichita.

Wichita Outing Date Set

The annual picnic and outing of the Wichita Insurors, which will be a "wild west" party, has been announced for June 16 at Sunnyside Springs, 20 miles north of Wichita. Howard Snyder, Duane T. Stover, A. E. Smoll and Lee Webb are in charge of arrangements.

Abilene, Kan., Is Inspected

The Kansas State Fire Prevention Association held its first inspection under the new administration at Abilene May

Will Preside



J. B. HILLERS

J. B. Hillers, head of Hillers Insurance Agency of Hastings, Neb., president of the Nebraska Association of Insurance Agents, will preside at the annual meeting Friday of this week at Omaha. Mr. Hillers is one of the stalwarts of the organization.

17. Plans are under way for a number of inspections this year.

St. Louis Pond Elects May 23

The annual meeting of the St. Louis Blue Goose will be held May 23. Present officers are D. H. Painter, most loyal gander, and J. Burr Taylor, wielder.

the surety companies out of business by preventing them from writing any business that the state can control and he has hinted at making an effort to drive them all out of the state. This matter will also be actively opposed by the association. A proposal for an agency qualification law endorsed by the agents will be introduced.

Warns on Cutting Protection

Manager Ingalls of Oklahoma Inspection Bureau Sends Out Letter to City Officials in That State

OKLAHOMA CITY, May 18.—Manager C. T. Ingalls of the Oklahoma Inspection Bureau has issued a warning to city councils, boards and commissions against curtailment of fire department costs in budgeting city expenses, in order to reduce taxes. The letter states that rates are largely based on the ability of the fire department to prevent fire losses and extinguish fire with least possible damage. "Reduced efficiency, which changes the grading and increases fire insurance rates, might more than offset the saving in fire department costs," it continues.

"Since the first of the year fires in Oklahoma, many of them of suspicious origin, have increased at an alarming rate. Fire department officials should be on the alert and training of members should be prosecuted with more vigor than before."

The letter concluded with an offer of advice and cooperation in connection with fire prevention and protection matters and a caution that cities that are unable to maintain the grade of protection with which they have been credited will lose their standing.

Woman Heads Local Board

At the annual meeting of the Sulphur Springs, Tex., Insurance Exchange Miss Myrtle Henderson was elected president. Miss Henderson has been active in insurance and association work for some time. She is the first woman to be named head of an insurance exchange in Texas. Other officers are D. E. Magrill, vice-president, and W. G. Smith, secretary-treasurer.

The Paris, Tex., Exchange has employed A. H. Arminger as full-time secretary to look after the affairs of the organization.

Oil Drilling Extension Halted

OKLAHOMA CITY, May 18.—Imminent danger of further oil development within the city limits beyond the prescribed drilling zone was dispelled when the city planning commission refused to extend the zone into a territory bounded by South Tenth and Eleventh streets, Harvey avenue and present zone boundary at the alley east of

Field Men Act to Check Excessive Fire Losses

OKLAHOMA CITY, May 18.—At the suggestion of J. T. Jones, state fire marshal, that something be done to reduce the burning ratio in certain towns of the state, a meeting of field men here last week, directed their discussions toward the part they could play in solving the problem. Proposed restrictions on writing fire insurance in these towns were drafted by a committee headed by H. K. Lininger, and copies were sent to all field men of the state.

The rules call for a reduction in coverage to 75 percent of the risks' valuation and the requirement of a three-fourth value clause on all except fire-proof buildings.

It is also proposed to hold meetings from time to time in these communities at which time the field men will draft such rules and regulations as in their opinion will bring about a better loss ratio.

Broadway. All petitions for drilling outside the present zone have been withdrawn and no new applications have been made to date.

Can Use Three-Fourths Clause

OKLAHOMA CITY, May 18.—The state insurance board has authorized and now permits fire insurance companies doing business in Oklahoma to use the three-fourths value clause in any town within the state where in the opinion of the companies the use of the clause is deemed advisable.

Arkansas Local Agents' Meeting

At the annual meeting of the Arkansas Association of Insurance Agents to be held at Hot Springs Friday and Saturday of this week, W. F. Lake, manager of the Avery agency, will be in charge of the entertainment committee. The social feature of the convention will be a banquet followed by a dance Friday night.

Houston Insurance Women Elect

HOUSTON, TEX., May 18.—At the annual meeting of the Insurance Women's Club of Houston, the following officers were elected: Mrs. T. C. Hargis, president; Miss Chattie Slayton, vice-president; Mrs. J. R. Brannan, Jr., treasurer, and Miss Ernestine Bertrand, secretary. No more meetings will be held until fall.

Fort Worth Board Elects

FORT WORTH, TEX., May 18.—At the annual meeting of the Fort Worth Insurance Underwriters Association, M. H. Kennedy was elected president,

STATES OF THE SOUTHWEST

Oppose Oklahoma Income Tax

Agents Take Stand Against Governor's Proposed 10 Percent Tax and State Fund Plans

HOLDENVILLE, OKLA., May 18.—At a regional meeting here last week, the Oklahoma Association of Insurors decided upon a definite program for the immediate future. The income tax measure, which Governor Murray expects to initiate May 20, will be heartily opposed. It is expected he will advocate imposing a 10 percent income tax in addition to the already effective 2 percent tax on net premiums. It is

expected that the measure will come up at the November election, unless the governor sees fit to have it on the ballot at one of the primaries in July.

The association will lend its efforts towards amending the workmen's compensation act to eliminate the state industrial commission and its functioning would be referred to the district court.

The association will lend its efforts to defeat the passage of two proposed bills which will be presented to establish a state fund for workmen's compensation coverage and to set up the state as an exclusive underwriter of automobile insurance, including property damage and public liability.

The governor is also planning to put

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The HANOVER FIRE INSURANCE COMPANY of New York Charles W. Higley, Pres.

succeeding Dillard Kuykendall, and T. M. Gooch, Jr., vice-president, succeeding C. G. Arnold. D. G. Foreman was re-elected secretary.

Mertz Williamson, chairman of the entertainment committee, announced that about 150 visitors from other cities

are expected to attend the annual banquet May 20.

The Arkansas Fire Prevention Bureau will shortly issue a new rate book for Fordyce, which has just been inspected. With a 1931 fire loss of \$11,930, Fordyce claims an Arkansas record for cities of comparable size.

IN THE SOUTHERN STATES

Wants Advance Information

W. F. Robertson Tells South Carolina Agents, Field Men Should Be Advised of Tariff Increases

Advance information as to rate increases should be transmitted to agents, W. F. Robertson of Greenville, S. C., declared in his presidential address before the annual meeting of the South Carolina Association of Insurance Agents at Anderson. "The local agents," he said, "are the best defenders of insurance and should be notified of impending battle and informed of coming increases so as to put up the best fight."

Advance information as to the recent automobile rate increases would have been of great benefit, he declared. The officers of the South Carolina association and the executive committee, with the help of the South Carolina commissioner, held a meeting with a representative of the National Bureau of Casualty & Surety Underwriters at Columbia as to the automobile rates, but nothing could be done to cause a change, he reported.

Agents' Judgment Valuable

"If the experience and judgment of the agents have been profitable to the companies and the business along general lines in the past," Mr. Robertson added, "it is reasonable to assume that the agents should have some opportunity of cooperating in endeavoring to find a solution to acquisition cost problems in order that reduction in commissions may be avoided."

Mr. Robertson recalled that \$600 of the association's fund was lost in a bank failure. The Seibels Bruce & Co. agency of Columbia, volunteered to finance publication of the monthly bulletin of the association.

Membership of the association now stands at 127, as compared with 143 a year ago, Secretary W. H. Lawrence of Anderson reported. Had even 50 active members of the association devoted one day during the year to enlisting at least one new member, the association would have shown an increase, Mr. Lawrence pointed out. "If you will go home determined to expend the same amount of effort and thought to securing a new member that you give to securing a \$50 premium for yourself, depression and other smoke screens will not be needed," Mr. Lawrence declared.

Garrott Is Made President

Memphis Insurance Exchange Held a Special Meeting to Elect Officers for the Year

MEMPHIS, TENN., May 18.—W. M. Garrott was elected president of the Insurance Exchange of Memphis at a special meeting. He had been nominated on two tickets and the selection was unanimous. E. O. Bailey was chosen vice president and Herman Gruber secretary-treasurer. New directors to serve with three holdovers are: Will Johnston, R. M. Metcalf and R. W. Wallace. Completing the board are Gilbert Schloss, Bethel Edrington and Thomas Wellford. Mr. Garrott also is president of the Insurance Club of Memphis. The exchange is composed of 52 local agents.

Plans for Georgia Convention

Agents in Smaller Towns Will Have Special Session to Discuss Their Problems—Quaid, Hirsch to Speak

AUGUSTA, GA., May 18.—The program for the annual convention of the Georgia Association of Insurance Agents is gradually taking form. The dates selected are July 1-2. This is the weekend preceding the "Fourth" and should draw a large crowd, especially when the sessions will be at Savannah and Tybee Beach.

William Quaid, vice-president of the Southern Fire, will be on the program, along with H. H. Hirsch, Georgia state agent for the American of Newark. It is hoped that C. L. Gandy of Birmingham will represent the National Association of Insurance Agents. Mr. Gandy is very popular with the Georgia agents.

For years the Georgia association has been criticized by many agents in the smaller towns of the state, claiming it has been run by and for the agents in the five larger cities, Augusta, Savannah, Macon, Atlanta and Columbus. It is true that the bulk of the membership is in those five cities and the most interest is shown by the "big city" agents. The officers of the association for the past three or four years have been trying to interest the smaller agents and many trips have been made by the officers to towns where the advantages of the organization are unknown. This has helped in a way but has not been sufficient to arouse the rank and file of the agency forces in the state.

In order to stimulate the interest of the smaller city agent it has been planned to have a special session at the convention for agents from towns other than the "big five." A chairman will be elected from the group and with no set agenda they will develop their own suggestions and recommendations for adoption by the association. This should give a real opportunity for the smaller agents to work out their ideas.

Many Arsonists in Toils

Commissioner Riley of Mississippi reports that during the first three months of this year three men have been sent to the penitentiary, convicted of arson; six are under bond awaiting trial; three have been indicted and two have been arrested and are awaiting indictment.

Florida State Fund Report

TAMPA, FLA., May 18.—The figures for the state fire insurance fund of Florida, established in 1917, show that since organization through 1931, the net premiums were \$519,378, and losses \$115,119. Expenses were \$30,169, and losses to state from taxes, \$10,964. With interest earnings on invested funds, the commissioner reports "net earnings of state fund since May, 1917, \$452,881."

The total coverage on state property is given in 1931 as follows: \$10,441,276, premiums \$199,004; in state fund, \$7,415,810.50, premiums \$159,013; in companies \$3,025,466, premiums \$39,991.

Rareshide in New Post

L. J. Rareshide, who recently joined the National Union as state agent of Louisiana and Mississippi, will have his headquarters at 706 Maritime building, New Orleans. He was formerly state agent of the British America, Cale-

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donian, Connecticut and Western Assurance in their Louisiana and Mississippi department. He was associated with that organization since 1920. Previous to that he was for 14 years with the southern department of the Liverpool & London & Globe, starting as office boy and later becoming chief examiner.

Arsonists Are Sentenced

The three men convicted in United States district court at Jacksonville for using the mails to defraud in connection with an incendiary fire, have been sentenced to one year and one day each in the Atlanta penitentiary. Max L. Friedberg and J. B. Wilson are appealing but Morris Horvitz will serve his sentence without further ado.

Opens General Agency

E. A. Chavanne, who has been Louisiana state agent for the Public Fire, has opened a general agency with headquarters in New Orleans. He has been given representation of the Buffalo for Louisiana and expects to take on additional companies. He has been in field work for about 20 years.

Form New Kentucky Board

The Bowling Green-Warren County Underwriters Association was perfected at a meeting at Bowling Green, Ky. Edward B. Stout of Stout & Herdman was elected president, and John L. Hanes of Lon D. Hanes & Son, treasurer. Other officers and members of the executive committee will be named later.

Fire Prevention Meeting Set

The Kentucky State Fire Prevention Association will hold its annual meeting in Louisville June 16. The Kentucky Fire Underwriters Association and Kentucky Association of Insurance Agents will meet there June 16-17.

Get American in Mississippi

JACKSON, MISS., May 18.—The H. W. Gates General Agency of this city has been appointed to represent the American of Newark, Mississippi Fire and Dixie. E. O. Spencer, secretary of the Mississippi Fire, will continue to represent the Hartford Accident.

Urges Bankruptcy Preference

MONTGOMERY, ALA., May 18.—Arthur Mead of Montgomery, who

served two terms as president of Alabama Association of Insurance Agents, has written Senator Black of Alabama, urging favorable action on the bill sponsored by the National Association of Insurance Agents, making unpaid insurance premiums preferred claims in cases of bankruptcy.

Cookeville, Tenn., Inspected

The Tennessee State Fire Prevention Association inspected Cookeville May 13. J. Burr Taylor, special representative of the Western Actuarial Bureau, spoke at the Tennessee Polytechnic Institute and at the Lions Club luncheon, with 84 in attendance, including mayors, editors and school superintendents of nine adjoining counties.

Miazza in New Firm

A. J. Miazza has resigned as vice-president of the Insurance Adjustment Company, Jackson, Miss., and has joined with Dan M. Mayers to form the new firm of Miazza & Mayers.

Frank E. Hess, 67, secretary of the J. L. Manning Company agency, died suddenly at his home in Middlesboro, Ky.

News of Pacific Coast States

Commission Cuts Are Feared

President J. K. Pratt Tells Oregon Agents Reduction in Scale Most "Alarming" Situation

Reduced commissions constitute the most "alarming" situation confronting the local agents today, J. K. Pratt, president of the Oregon Insurance Agents Union, told the membership in annual session at Klamath Falls.

"The commission problem is serious and deserves your attention," Mr. Pratt declared. "Reference to the cost of producing business is the hue and cry—the expenditures are being closely watched for the purpose of lowering cost if possible."

Mr. Pratt also mentioned the recent automobile rate increases and said it would have been better judgment on the part of the companies to have taken into their confidence the conference

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committee of the National Association of Insurance Agents. Apparently, he said, the consequences of the increases being made without warning were not weighed by the companies. "The local agents," he said, "were confronted with this increase without a moment's notice and without a ready answer to justify the increase. The companies were faced on every side," he said, "by newspaper advertisements inserted by local agents representing companies which were willing to continue at the old rates, at least for a period sufficient to pick off a nice volume of business from the local agents representing those companies not so inclined."

Mr. Pratt reported that Oregon had fulfilled its quota of the National association five year development plan. The Union now has 91 coextensive members.

Agents, he said, have saved thousands of dollars in premiums for the companies by putting up nets on delinquent accounts, and the companies have served the agents faithfully and well.

In November, Mr. Pratt recalled that the executive committee of the Union held a meeting with the Oregon conference committee. That meeting went on record as opposing bank agencies in towns of more than 5,000, and a bank agency committee was appointed consisting of H. D. Quine, M. D. Ohling and Mr. Pratt. The companies and agencies were notified and the special agents' association appointed a bank agency committee to confer with the agents' committee. "Since that conference," he said, "your committee and the company committee have played ball with what seemed to be a keg of dynamite. No hits, no runs, no errors. The keg now reposes in the lap of Old Man Reciprocity."

Californians Select Santa

Rosa; Annexes Are Opposed

SAN FRANCISCO, May 18.—Opposition to underwriters annexes and the appointment of automobile dealers as agents by organization and non-organization companies was voted at a meeting of the executive committee of the California Association Insurance Agents in Oakland.

Santa Rosa was chosen as the convention city for the silver anniversary meeting, to be held Nov. 16-18. The tentative program calls for the opening convention session Thursday morning, Nov. 17, with group conferences that evening. Nov. 18 will also be devoted to business sessions, closing with banquet Friday evening. The annual golf tournament and stag dinner will be held Nov. 16, afternoon and evening.

Washington Agents Active Along Legislative Lines

OLYMPIA, WASH., May 18.—The forthcoming session of the Washington legislature will again be presented with several measures affecting insurance as the result of activity on the part of the Insurance Agents League of Washington. Its legislative program has not been drafted, but it is understood that another attempt will be made to pass an agents' qualification and a limitation bill. Both measures were passed at the 1930 session but were vetoed by Governor Hartley.

It is considered doubtful whether the organized agents will sponsor an amendment to the insurance code providing automatic cancellation for non-payment of premium. Definite action will be taken if the proposal secures the stamp of approval of the National Association of Insurance Agents.

It is reported that a move is on foot to sponsor a bill which will modify the scope of the monopolistic state compensation fund, enabling employers to exercise the option as to whether the state fund will be used or insurance carried with private companies. An automobile safety responsibility act is an-

On the Committee



JOY LICHTENSTEIN

Joy Lichtenstein of San Francisco, manager of the Pacific department of the Hartford Fire group, becomes a member of the executive committee of the Pacific Board. Mr. Lichtenstein enjoys the distinction of being both a casualty and fire underwriter. He is manager of the Hartford Accident as well as the Hartford Fire group. He is a native of San Francisco and a graduate of the University of California.

other measure that is expected to draw unified support from insurance interests.

Three of State Committees Organize for Coming Year

SAN FRANCISCO, May 18.—Three of the state committees for the Pacific Coast held their annual meetings here and organized for the coming year.

Edwin Parrish, America Fore, was elected chairman of the Washington advisory committee, with W. W. Gilmore, coast manager for the London & Lancashire, vice-chairman. Mr. Parrish and Mr. Gilmore served on the committee the past year. New members are H. L. Simpson, associate manager of the Pacific department of the Phoenix of Hartford and Great American groups, and G. F. Guerraz of Seattle, in charge of the Liverpool & London & Globe in that section.

J. C. Wickler of the Great American and Phoenix of Hartford office was reelected chairman of the Arizona committee. F. J. Perry of the Royal group was reelected vice-chairman.

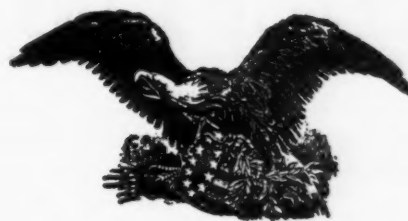
T. J. Craig, assistant manager of the North America was reelected chairman of the Idaho committee, with John C. Dornin as vice-chairman.

Craig Gives U. & O. Talk

T. J. Craig, assistant manager of the Pacific department of the North America, addressed the associate members of the Fire Underwriters Association of the Pacific Tuesday on use and occupancy insurance in the woodworking industries.

Confer on Rate Revisions

SAN FRANCISCO, May 18.—A committee representing the California Association of Insurance Agents met in San Francisco May 16 with the rules and rates committee of the Pacific Board to discuss a proposed revision in rates on unprotected property. Representing the agents were Percy S. W. Ramsden and Frank Colridge, president and executive secretary of the association; Eugene Battles, chairman executive committee;



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from The National Underwriter.Percy H. Goodwin and William Menn,
president Los Angeles Fire Insurance
Exchange. John C. Dornin, chairman
executive committee of the board, pre-
sided. The matter will be presented to
the executive committee of the board
at a meeting May 19.

Wills Blue Goose Speaker

B. G. Wills, vice-president Fireman's
Fund Indemnity, addressed the San
Francisco Blue Goose Monday on auto-
mobile underwriting, particularly as re-
gards automobile accidents. Mr. Wills
is head of the advisory council of the
San Francisco Council for the Reduc-
tion of Automobile Accidents and presi-
dent of the Casualty Underwriters As-
sociation of San Francisco.

Gillespie Long Beach Speaker

H. C. Gillespie, Los Angeles manager
of the United States Fidelity & Guar-
anty, was the principal speaker at the
meeting last week of the Long Beach
Association of Insurance Agents. He
reviewed the origin and development of
casualty insurance since 1876 and ear-
nestly urged local agents to support stock
carriers subscribing to rules of the Na-
tional Bureau of Casualty & Surety Un-
derwriters. Berry Merritt, president of
the association, presided.

Blue Goose Slate Announced

LOS ANGELES, May 18—According
to the slate prepared by the nominating
committee of the California Blue Goose
and reported at the May meeting, M. E.
Faust, independent adjuster, is to suc-
ceed V. W. McKinney as most loyal
gander. J. S. Hurry, Glens Falls, is
named for supervisor; R. O. Elmore,
Fireman's Fund, custodian; F. M.
Hagan, Firemen's group, guardian; J. C.
Buchanan, Automobile Club of Southern
California, keeper; L. F. Fargo, in-
dependent adjuster, welder. The election
will be held June 3. Messrs. McKinney
and Buchanan were nominated as dele-
gates to the grand nest.

See Improvement on the Coast

Field men on the Pacific Coast speak
rather hopefully of business prospects
throughout the territory, pointing out
that with weather improvement fruit
growers and farmers anticipate substan-
tial crop harvests, and the money re-
ceived in such direction will have a stim-
ulating effect upon general business
lines. Although few agencies are able
to report increased premium incomes, a
considerable number state that renewals
are holding, cancellations and reduced
coverages having apparently run their
course. The outlook, special agents are
agreed, is justifiedly optimistic, though
no miraculous recovery is anticipated.

Trenbath with L. & L. & G.

E. W. Trenbath, formerly special
agent and later assistant manager in
Washington for Swett & Crawford, has
resigned to join the Pacific Coast de-
partment of the Liverpool & London &
Globe. Mr. Trenbath will continue to
service the agency plant of the Pacific
American Fire Underwriters of the L. &
L. & G. in Washington, maintaining
headquarters in Seattle under George F.
Guerraz, assistant Pacific Coast man-
ager.

Groninger Takes Two Companies

The Groninger & Co. General Agency,
Seattle, has made arrangements to take
over the Washington agency plant of
the Importers & Exporters and New
York Fire. Both companies, members
of the Corroon & Reynolds fleet, were
formerly represented in Washington by
Bell & Co. The transfer was made
under the supervision of A. O. Graven,
state agent in California.

H. G. Stein in New Post

H. G. Stein has been appointed spe-
cial agent covering Oregon, Washing-
ton, Idaho and Montana for the com-panies represented on the Pacific Coast
by the Carl A. Henry general agency.
Mr. Stein has been in the Pacific North-
west field for many years.

Opens San Bernardino Branch

The Fire Companies Adjustment Bu-
reau has opened a branch office at 410
Andreson building, San Bernardino, Cal.,
under the supervision of Fred B. Simp-
son, branch manager.The San Jose Association of Insurance
Agents will hold its annual organization
golf tournament June 4. A barbecue will
feature the event.Mountain Field
Activities

Plan Wyoming Agents' Meet

Special Session of State Association
Held at Casper—Will Hold Con-
vention There Aug. 27CASPER, WYO., May 18.—A spe-
cial meeting of the Wyoming Associa-
tion of Insurance Agents was held here
to discuss several matters of consider-
able importance to agents in Wyoming.
A concentrated drive for members is
now being made. It is hoped that the
membership will nearly be doubled by
the last of August. The membership
has already increased nearly 100 per-
cent since Jan. 1.The first annual meeting of the asso-
ciation will be held Aug. 27 in Casper.
The association will attempt to secure
Commissioner Thulemeyer of Wyoming
as its principal speaker at this meeting.
Mr. Thulemeyer has cooperated with
the association in every respect.Present officers of the association are:
H. F. Farnsworth, Riverton, president;
D. L. La Breche, Casper, vice-president;Since
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A. E. Tweed, Casper, secretary-treasurer; C. W. Davis, Sheridan, chairman executive committee; I. W. Dinsmore, Rawlins, chairman legislative committee; Gilbert Kennedy, Basin, chairman membership committee; T. O. Cowgill, Cody, chairman good will and grievance committee.

Directors, in addition to the above, include E. A. Murray, Cheyenne; R. Le-

Rossignol, Lander; M. P. Wheeler, Casper; H. C. Fleischer, Sheridan; B. A. Scherck, Casper; Fred C. Hank, Thermopolis; J. J. Bentley, Sheridan; R. E. Brand, Casper; W. J. Jones, Basin, and H. B. Richardson, Lovell.

The C. L. Hackley Agency, Brighton, Colo., has been sold to the Western Bond & Savings Co., conducted by J. C. Couter and W. L. Dent.

EASTERN STATES ACTIVITIES

Agree on Boston Commissions

Report of Conference Committee Presented to Board—Final Vote on Adoption May 31

BOSTON, May 18.—At last week's meeting of the Boston Board the report of the conference committee, W. A. Muller, chairman, appointed to consider the matter of commissions in the Boston metropolitan territory, was read and discussed. One amendment was made to clarify the matter of inland marine contracts. The board will vote on the report at a special meeting May 31.

The report, if adopted, will constitute an agreement between members of the board and the companies, regulating the maximum commissions to be paid on Boston business. Chairman Muller explained the committee had had the fullest cooperation of the companies, represented by R. P. Barbour as chairman of the Boston committee of the Eastern Underwriters Association. The agreement is not in the form of collective bargaining but rather an understanding as to the highest commissions a Boston agent may receive and the companies may pay. It will not become a part of the Boston Board rules or be published as such.

Vermont Agents' Spring Meeting

The spring meeting of the Vermont Association of Insurance Agents will be held at Brattleboro May 24, followed by a banquet in the evening.

The afternoon program will include addresses by Vice-president E. J. Schofield, Globe Indemnity; A. W. Whitney, associate general manager National Bureau of Casualty & Surety Underwriters, and T. C. Cheney, Morristown, Vt., chairman of the New England Advisory Board. Discussions on current affairs of interest will follow.

At the banquet Walter Hard of Manchester, Vt., will talk on "Gems of Vermont."

Lilly Addresses Boston Club

G. W. Lilly, manager of the Fire Companies Adjustment Bureau, in an address before the Bay State Field Club at Boston last week outlined the plans

of the former organization for claim handling, and spoke along somewhat similar lines to the Claims Executives Conference at Hartford the following Tuesday.

Poor & Alexander Reorganize

Poor & Alexander of Baltimore have reorganized and incorporated under the name Poor, Bowen, Bartlett & Kennedy, with \$5,000 capital stock. H. T. Poor continues as president, P. D. Bowen is vice-president and treasurer, J. D. Bartlett, vice-president and secretary, and A. J. Kennedy, a new member of the firm, also is vice-president.

Hamilton Omits Dividend

The Hamilton Fire of the Globe & Rutgers group has omitted the customary quarterly dividend of \$1.50 to conserve resources.

Motor Insurance Events

Motor Club Refund Reduced

Missouri Exchange Cuts Dividends to 10 Percent and Raises P. L. and P. D. Rates

ST. LOUIS, May 18.—The Inter-Insurance Exchange for the Automobile Club of Missouri is reported to have reduced the refund made to its subscribers from 20 percent to 10 percent of the gross rate paid by them for automobile liability, property damage, fire and theft. The balance of the former refund will be applied to surplus.

Also it is understood the exchange has raised the base gross rate on liability and property damage protection, so that this increase taken into consideration with the reduction in the refund means a net increase of about 25 percent for liability and property damage.

For \$5,000/\$10,000 liability and \$5,000 property damage owners of cars in the W classification, now pay gross rate of \$59 with a refund of 10 per cent making the net rate \$53.10. This compares

with the former gross rate of \$53.10 less 20 percent or a net of \$42.48.

The \$59 gross rate meets the rate of a number of non-bureau companies. Members of the National Bureau of Casualty & Surety Underwriters charge \$61 for \$5,000/\$10,000 and \$5,000 property damage coverage. However, with a charge of but \$2 for the emergency road service both the bureau and non-bureau stock companies are now able to meet the competition of the exchange on a dollar and cents basis, as the members of the automobile club pay \$12 a year dues in order to gain the emergency road service and other privileges of the club. With a net rate of \$53.10 plus \$12 club dues subscribers of the exchange in W classification pay a total of \$65.10 as against \$61 for non-bureau and \$63 for bureau companies furnishing the emergency service rider.

Non-Bureau Companies on Coast Launch Conference

SEATTLE, May 18.—Practically every stock company in the state of Washington writing automobile insurance at other than bureau rates has joined the newly formed Northwest Auto Conference with offices at 1103 Exchange building. Ralph H. Hall, superintendent of agents for United Pacific Casualty, is president; H. M. Gould, Gould & Gould general agency, treasurer.

Companies that have become members to date are the Northwest Casualty, United Pacific Casualty, General Casualty of Seattle, American Automobile, American Motorists, Canadian Fire, Universal Automobile, General Accident, Pacific Indemnity, Associated Indemnity, Ohio Casualty and Mercer Casualty.

MARINE NEWS

Lake Marine Premiums Off

Business Reported at Lowest Ebb in History as Result of Severe Slump in Freight Traffic

The lake marine season which opened April 15, is reported to be the worst in the experience of underwriters. The business depression has been reflected most accurately in the transportation business. While some boats have been plying the Great Lakes, these are infrequent, whereas in normal times this far along in the year there would be heavy movement of grain, coal, automobiles, steel and general merchandise.

Grain is in storage, where it has been for a long time awaiting a market on which it could be sold at something other than a dead loss. In spite of hopes,

Quaker City Head



JOHN K. PAYNE

John K. Payne, president Philadelphia Insurance Agents Association, will be one of the chief hosts at the annual convention of the National Association of Insurance Agents to be held in his city in September. He is a member of the agency firm of Hare & Chase. He is one of the men responsible for getting the National convention in Philadelphia. He is a member of the bar and a civil engineer. He received his engineering degree at the University of Tennessee and B. A. degree at Marietta College. He is also a graduate of the Yale Law School. He has been in insurance for 30 years, starting as a rating engineer with the Philadelphia Fire Underwriters Association. He then became a broker and later joined the agency of Hare & Chase. Mr. Payne is active in politics. He is a committeeman from his ward. One of his hobbies is playing the guitar.

the automobile business has not opened to any extent this year. Manufacturing is away off and the normal heavy coal movement for this purpose has suffered likewise. The low ebb of construction has hit structural steel movement across the lake.

May Drop 15 Per Cent Tax

OTTAWA, May 18.—The tax of 15 percent on gross premiums on insurance with unlicensed companies, proposed to be levied by the Dominion government, is now likely to be dropped, and a relatively small tax, more in line with the tax of 1 percent on licensed fire and casualty business, substituted.

The Republic Fire is withdrawing from Canada.

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The National Underwriter

May 19, 1932

CASUALTY AND SURETY SECTION

Page Twenty-nine

Bailey Calls for Safety Education

Travelers Economist Says Prevention Cost Should Be Premium Item

CITES BOILER RECORD

Work Needed Especially Among Drivers of Private Passenger Cars, U. S. Chamber of Commerce Hears

While progress has been made in automobile accident prevention among school children and truck drivers, little headway has been gained among the drivers of private passenger cars, according to W. B. Bailey, economist of the Travelers, who addressed the insurance round table at the annual meeting of the Chamber of Commerce of the United States at San Francisco Wednesday. It has been possible, he pointed out, to get school children together as groups and to instruct them how to cross streets safely and to take other precautions. Likewise, it has been possible to gain the attention of truck drivers, through the interest and pressure of their employers.

Mr. Bailey pointed out, however, that it is impossible to get drivers of private passenger cars together in school rooms or in factory meetings. There is not a common employer who can reinforce instructions on the part of insurance companies with disciplinary action. There are, however, means of group education, such as news and advertising columns of newspapers, magazines, radio, motion picture screen and billboard. Propaganda can be brought before luncheon clubs, churches, etc.

May Be Premium Factor

"The time may come," Mr. Bailey declared, "when safety educational work may be an item in the automobile insurance premium just as inspection now is in the boiler premium and this item justified by a reduction in the item of loss cost."

Mr. Bailey suggested that the increasing cost of automobile insurance may prove to be a blessing in disguise. Persons will give more attention to the prevention of accidents when the cost hits them, he said. This was true of employer's liability and compensation. When the employer learned that the cost of his compensation insurance was determined by the number and severity of the accidents in his plant, he showed interest in cutting down the number of accidents.

Little public indignation has been aroused by the automobile casualty lists which appear daily in the newspapers, he said, because it has grown by degrees rather than come on suddenly. If 35,000 persons, the number that are killed annually by automobiles, should be killed in one big accident as the re-

(CONTINUED ON NEXT PAGE)

Careless Driving Termed Main Auto Accident Cause

SAN FRANCISCO, May 18.—Inability to control highway accidents, the lack of realization on the part of jurors that high verdicts in accident cases mean increased cost to all motorists, and the tremendous increase in the number of fraudulent claims, were cited today by James S. Kemper, president of the Lumbermen's Mutual Casualty of Chicago, speaking before the United States Chamber of Commerce, as the three principal factors responsible for increased automobile insurance costs.

"There are times," said Mr. Kemper, "when I become skeptical about the willingness of our car drivers to put the care and restraint into their driving which are necessary to mend matters. We cannot get away from the fact that plain downright carelessness on the part of the man at the steering wheel is the only admissible explanation for three-fourths of the accidents which happen."

Large Verdicts Awarded

In spite of the general trend toward the insuring of all cars, Mr. Kemper declared that the average jury still awards large verdicts in accident cases without realizing that the cost is paid, in the last analysis, by the automobile owner. Said Mr. Kemper: "No program having for its purpose a reduction in insurance cost through prevention of losses can succeed until the insurance buyer realizes, first, that actual losses plus the cost of operating claim departments to adjust them approximate 60 percent to 70 percent of all the premiums paid to the insurance companies; second, that while insurance companies compute rates, they do not make them; and third, that when lower rates are deserved because of fewer losses, the means are at hand to compel the insurers to grant the reductions which are justified."

Increased Automobile Costs

The most serious factor in the whole situation of increased automobile insurance costs, according to Mr. Kemper, is the extent to which the commercializing of claims, both legitimate and illegitimate, has developed into a business almost as efficiently operated as the manufacture of the motor car itself. "Only an aroused public opinion can cure this situation," said Mr. Kemper. "An outstanding example of how this can be handled is that of Boston, where, less than six months ago there was widespread protest against the extent to which attorneys and doctors were engaged in the prosecution of both fraudulent and grossly exaggerated accident claims. As a result of united action by the state bar association and state board of medical examiners, the registrar of motor vehicles, and numerous civic organizations vitally interested in the proposition, the entire situation was finally presented to the supreme judicial court of the state. Since the first hearing in the early part of the year, a number of attorneys have been disbarred or suspended from practice, other persons have been indicted for making fraudulent claims and some have already

been sentenced. There followed a marked reduction in number of claims filed and withdrawal of many previously filed.

In discussing loss prevention as applied to workmen's compensation insurance cost, Mr. Kemper pointed out that each year since the enactment of workmen's compensation legislation there has been a steadily increasing realization that accident prevention was not only desirable from the standpoint of controlling insurance cost but was also of tremendous value in conserving man power, avoiding interruption to operation, and improving production methods.

Problem for Executives

"The executive heads of industry themselves must give more attention to this proposition," said Mr. Kemper, "for they alone have the authority and prestige to make it unmistakably clear that the policy of a factory shall be to conduct its business with the greatest possible safety. Another important factor contributing to the increased cost of workmen's compensation insurance is the increase in the cost of hospital and medical care which has taken place in recent years."

Greeno Elected President of New York Federation

F. L. Greeno of Rochester was elected president of the Insurance Federation of New York at the annual meeting in Albany. Other officers are: First vice-president, F. P. Tucker, Albany; second vice-president, F. L. Gardner, Poughkeepsie; third vice-president, Joseph Norton, Watertown; fourth vice-president, A. C. Hegeman, New York City; secretary, L. L. Saunders, Albany, and treasurer, A. J. Young, Albany. M. H. Feele, of Binghamton, retiring president, succeeds J. J. Canning of Brooklyn as member of the executive committee. The federation meeting usually requires two days, but this year business was disposed of at a single session. Reports were read by President Feele, Secretary Saunders and Treasurer Young.

Claims Now Itemized to the Very Last Cent

Some proofs of loss that reach the home offices these days are worked out to the fraction. One recently received by the burglary claim department of the United States Fidelity & Guaranty from an assured whose house had been ransacked totaled \$205.65, including a tooth paste tube listed at 27 cents and a bar of soap listed at 3 cents, the assured having allowed a credit of 2 cents on the soap. The company paid the full amount claimed.

Rating Bureau to Assign Bad Risks

New Jersey Organization Chairman Rules on Hazardous Compensation Cases

ENDS CRITICAL SITUATION

Assignment to Admitted Carriers Expected to End Threat of State Fund Seen by Agents

NEW YORK, May 18.—Under a ruling of Chairman A. R. Lawrence of the Compensation Rating & Inspection Bureau of New Jersey, companies writing workmen's compensation in the state must conform to the method of taking care of certain hazardous types of risks employed in Minnesota, Missouri, North Carolina, Virginia, and certain other states.

Complaint was made to the bureau that a number of New Jersey employers had been unable to secure indemnity from any admitted companies. Manager Lawrence ruled that in all such cases he would assign the carrier office, which must assume the risk unless good reason existed for not doing so.

Considered Critical Situation

The matter came up at the semi-annual meeting of the New Jersey Association of Underwriters in March when, for example, specific instances were cited of the inability of a number of junk dealers to get coverage, though the compensation law of the state required them to do so. Local agents felt that such a condition would inevitably lead to the establishment of a state fund.

The loss factor is not the only, nor indeed the primary, influence that impels casualty companies to taboo certain types of risks. Rather, it is the expense involved in servicing the business.

Involve Heavy Cost Factors

As a rule, lines difficult to place, in addition to having poor equipment, are located at distant points, entailing heavy inspection, claim and pay roll auditing cost, the expense frequently being well in excess of premium.

By having risks of this undesirable type, comparatively few in number, apportioned among the different carriers by an unbiased bureau, no employer need be without protection nor does any company assume an undue burden of liability.

Use Bureau Rates in New York

NEW YORK, May 18.—With but two exceptions all automobile liability insurance companies operating in this state are now charging bureau rates. Of the two non-complying carriers one has filed a flat 10 percent and the other a 9.3 percent differential with the department.

Armstrong Warns Against Fictitious Motor Fleets

PENALTIES ARE THREATENED

Pennsylvania Commissioner Says Reports of Violations of Discrimination Law Are Numerous

Commissioner Armstrong of Pennsylvania has sent a warning against the writing of fictitious automobile fleets to all casualty companies and reciprocals in the state. He asks the recipients to acknowledge the letter, advising him whether they have taken and are taking all steps necessary to see that their companies and agents are complying with the anti-discrimination law.

Mr. Armstrong recalled that in 1928 he notified the companies of the formal opinion of the department of justice holding illegal any so-called fictitious fleet automobile policies. "Under the law of Pennsylvania," he said, "the writing of such policies is illegal for the reason that the owners of automobiles covered by them are insured at lower rates than those charged to and paid by individuals in the same classification who are not members of a group so insured."

Cites Discrimination Law

The commissioner cited section 353 of the insurance company law of 1921 as supplied by the act of June 23, 1931, P. L. 904, which prohibits discrimination in rates for various policies of insurance and makes violation a misdemeanor punishable by fine not exceeding \$500. The section permits the commissioner in his discretion to suspend or revoke the license of the offender, to refuse to issue a new license and to impose a penalty up to \$1,000 for each violation.

"It has come to my attention," he said, "despite the warning issued by this department four years ago and the undoubted knowledge on the part of all companies that the writing of so-called fictitious fleets is in clear violation of the law, that since then such policies have been written by certain companies in violation of the law and that others are being written. The result of this is not only a violation of the law, but it is unfair and unjust to those agents, brokers and companies, which refuse to write such policies and therefore are penalized for obeying the law."

"You are hereby notified that if at any time after this date the existence of any fictitious fleets or any policy written in violation of the laws of Pennsylvania comes to the attention of this department, the penalties provided will be imposed and all other necessary action will be taken in the courts or otherwise to punish the offender."

Bailey Calls for Safety Education

(CONT'D FROM PRECEDING PAGE)

sult of carelessness, he pointed out, there would be an insistent demand that something be done about it.

If the popular indignation against the increasing cost of automobile insurance is directed against the factors which are responsible for it, something might be accomplished, he declared.

Too much emphasis has been put on speed, he said. Statements that cars will go 75, 85 or 100 miles an hour are invitations to reckless drivers to attempt such speed. "I believe, he said, "few men know how to handle a car safely at anywhere near such a speed."

States which do not require operators' licenses have very little control over the reckless or incompetent driver, he declared. Taking away the privilege of driving a car for conviction of criminally reckless driving or driving under the influence of liquor has a salutary effect, he declared.

U. S. Treasury Lists Acceptable Sureties and Qualifying Powers

	Capital Stock	Surplus and Undivided Profits ¹	Net Limit on Any One Bond 10 Percent of Capital and Surplus
Associated Indemnity, San Francisco.....	\$ 500,000	\$ 876,062	\$ 138,000
Fireman's Fund Indemnity.....	1,000,000	2,235,742	324,000
National Automobile, Los Angeles.....	250,000	154,710	40,000
Occidental Indemnity, San Francisco.....	500,000	733,106	123,000
Pacific Indemnity, Los Angeles.....	1,500,000	2,349,318	385,000
Aetna Casualty & Surety.....	3,000,000	9,586,886	1,259,000
Century Indemnity.....	750,000	838,432	159,000
Hartford Accident & Indemnity.....	3,000,000	6,387,021	939,000
International Reinsurance, Los Angeles.....	1,500,000	1,717,089	322,000
Melbank Surety Corporation, Pittsburgh.....	250,000	5,251,875	550,000
St. Paul-Mercury Indemnity.....	900,000	174,125	197,000
Continental Casualty.....	3,500,000	2,552,820	605,000
Inland Bonding, South Bend.....	200,000	269,641	57,000
Western Casualty & Surety, Fort Scott.....	750,000	377,352	113,000
Union Indemnity.....	1,000,000	436,137	144,000
American Bonding, Baltimore.....	1,000,000	559,442	156,000
Fidelity & Deposit.....	6,000,000	3,357,528	936,000
Maryland Casualty.....	5,000,000	2,843,318	784,000
United States Fidelity & Guaranty.....	10,000,000	3,522,908	1,352,000
American Employers.....	1,000,000	529,149	153,000
Massachusetts Bonding.....	4,000,000	4,081,448	808,000
Detroit Fidelity & Surety.....	1,000,000	812,067	181,000
National Casualty.....	750,000	500,000	125,000
Standard Accident.....	2,500,000	993,555	349,000
Central Surety, Kansas City.....	1,000,000	828,028	183,000
Employers Reinsurance.....	1,500,000	1,985,280	349,000
Bankers Indemnity.....	1,000,000	719,666	171,000
Commercial Casualty.....	1,000,000	725,988	174,000
Excess, New York.....	750,020	1,040,147	179,000
International Fidelity, Jersey City.....	300,000	1,517,062	182,000
New Jersey Fidelity & Plate Glass.....	800,000	616,407	142,000
Public Indemnity.....	760,000	752,302	151,000
American Surety.....	7,500,000	4,122,224	1,162,000
Columbia Casualty.....	1,000,000	1,582,479	258,000
Commerce Casualty.....	750,000	400,000	115,000
Concord Casualty & Surety.....	571,760	209,565	78,000
Consolidated Indemnity, New York.....	1,200,000	742,061	194,000
Eagle Indemnity.....	1,000,000	1,472,685	247,000
Fidelity & Casualty.....	2,200,000	7,415,037	962,000
General Indemnity.....	750,000	359,582	111,000
General Reinsurance, New York.....	1,000,000	1,668,900	267,000
General Surety, New York.....	2,500,000	6,775,205	928,000
Glens Falls Indemnity.....	1,000,000	600,000	160,000
Globe Indemnity.....	2,500,000	9,951,011	1,155,000
Great American Indemnity.....	1,250,000	818,682	207,000
Greater City Surety & Indemnity.....	282,500	40,026	30,000
Guardian Casualty, Buffalo.....	650,000	428,956	108,000
Home Indemnity.....	1,500,000	1,127,618	263,000
Lexington Surety & Indemnity.....	256,000	87,186	24,000
Lloyds Casualty.....	1,000,000	920,879	192,000
London & Lancashire Indemnity.....	750,000	892,848	164,000
Metropolitan Casualty.....	1,000,000	840,288	184,000
National Surety.....	15,000,000	7,904,155	2,290,000
New Amsterdam Casualty.....	4,500,000	3,661,696	816,000
New York Casualty.....	1,000,000	861,461	186,000
Preferred Accident.....	875,000	2,184,073	306,000
Royal Indemnity.....	2,500,000	5,613,800	811,000
Seaboard Surety & Casualty.....	1,000,000	668,167	167,000
Sun Indemnity.....	1,000,000	1,012,539	251,000
United States Casualty.....	750,000	1,597,717	235,000
United States Guarantee.....	1,000,000	3,020,226	402,000
Ohio Casualty, Hamilton.....	600,000	519,079	111,000
Western & Southern Indemnity.....	500,000	1,134,449	163,000
Alliance Casualty.....	1,000,000	1,096,146	210,000
American Reinsurance.....	1,000,000	2,603,226	360,000
Constitution Indemnity.....	1,000,000	951,893	195,000
Eureka Casualty, Philadelphia.....	500,000	605,574	111,000
Indemnity of North America.....	1,000,000	2,688,505	369,000
Independence Indemnity.....	1,000,000	1,266,290	227,000
Western Surety, Sioux Falls.....	286,900	109,978	40,000
American General, Houston.....	400,000	287,678	69,000
American Indemnity, Galveston.....	1,000,000	701,560	170,000
Commercial Standard, Dallas.....	400,000	200,000	60,000
Employers Casualty, Dallas.....	300,000	143,622	44,000
Texas Indemnity, Galveston.....	300,000	97,174	40,000
General Casualty, Seattle.....	500,000	662,111	116,000
United Pacific Casualty, Seattle.....	400,000	238,346	64,000

FOREIGN COMPANIES AUTHORIZED TO DO REINSURANCE BUSINESS ONLY

	Assets ¹	Qualifying Powers
Employers' Liability Assurance.....	\$6,388,660	\$639,000
European General Reinsurance.....	2,500,000	250,000
Guarantee Company of North America.....	1,455,543	146,000
London Guarantee & Accident Company.....	3,801,736	380,000
Ocean Accident & Guarantee.....	5,183,546	518,000
United British Insurance.....	1,191,151	119,000

¹Investments of companies in bonds and stocks allowed on basis of rates promulgated for use as of Dec. 31, 1931, by the National Convention of Insurance Commissioners.

²Certificate of authority issued March 30, 1932. Financial statement as of Jan. 4, 1932.

³Certificate of authority issued Feb. 19, 1932.

⁴Domestic companies authorized to do a reinsurance business only.

Insurance Counsel Demand Defeat of the Norris Bill

The International Association of Insurance Counsel is calling upon its members to exert their influence against the Norris bill which would take away jurisdiction of the federal courts of cases between citizens of different states. The bulletin is signed by President Edwin A. Jones. If the law is passed, some companies may withdraw from business in the various states. The present law attracts companies into some states, the bulletin states. The amendment may keep them out and may drive out those already there.

"The fear of non-residents, individuals

or corporations, in going into a state to do business where they would be looked upon as capitalistic comes from such legislation as that limiting terms of state judges, making them subject to popular election, prohibiting comment on evidence, allowing verdicts to be returned by less than the entire jury, the requirement of submission to the jury of issues of fact which are supported by only a scintilla of evidence, requiring that certain issues, such as contributory negligence, be submitted to the jury, making damage presumptive evidence of negligence, forbidding appellate courts to declare a statute unconstitutional except on the judgment of more than a majority of the bench, and hampering by stay laws and tender acts the execution of

Consolidation Deal Called Off at Philadelphia Meet

COMPANIES TO GO IT ALONE

Independence Indemnity and Public Indemnity Proposal to Merge Their Interests Meets Failure

PHILADELPHIA, May 18.—Announcement is made today that the proposed merger of the Public Indemnity with the Independence Indemnity is definitely abandoned, the official statement from the latter company stating that "for reasons of our own we have called off the deal with the Public Indemnity."

The Public Indemnity meeting of May 4 was supposed to ratify the deal, but it did not. Since then and especially during the last week, there have been strenuous conferences, hoping to bring about concord.

Vice President A. L. Johnston of the Public Indemnity looms up as its important factor and he has developed a strong following. It is understood new money will be put in the Public Indemnity and its financial condition will be materially strengthened, but Mr. Johnston will be the man in command.

Cook County Glass Bureau Now Seems to Be Assured

Eastern executives having given their approval with certain amendments to the constitution and by-laws of the projected Cook County Plate Glass Service Bureau, the instrument, as modified, has been reviewed by the committee of Chicago representatives, headed by H. S. Slipner of the Bankers Indemnity. The next step, according to Mr. Slipner, will be to call a general meeting of the Chicago people with a committee from the east to arrive at a sure understanding, before the bureau is formally launched. The meeting will probably be held May 25 or 26, Mr. Slipner states. G. E. Wilkinson, chairman, and other members of the eastern committee are invited to attend.

One of the important changes recommended in the east is a provision in the by-laws abolishing as of some certain date the so-called 50-50 plate glass form. The date would be selected by the executive committee. The easterners also recommend that cognizance be given the commission question by providing that it shall be the duty of the executive committee at such times as deemed proper to make recommendations to any acquisition cost conference as to plate glass commissions. Also, it is suggested, that the basic rate be specified as that promulgated by the present rating bureaus, which are the Moore Rating Bureau and the National Bureau of Casualty & Surety Underwriters.

The easterners also recommend that the executive committee consist of the president, vice-president, treasurer and four additional members to be elected annually by the bureau.

Public Indemnity Gets Contract

Acting Commissioner Brown of Kentucky has approved transfer of a contract for the writing of travel pedestrian dollar-a-year policies for members of the Cincinnati Automobile Club from the Inter-Southern Life to the Public Indemnity.

judgments, conflicting rulings in corporation law, the recall of judges and the once abrogated recall of judicial decisions."

Dr. T. B. W. Leland, coroner of San Francisco, discussed the functions of his office with the Accident & Health Managers Club of San Francisco, May 16.

St. Louis Acts to Lower Auto Rates

Ambulance Chasers, Liberal Juries and Fictitious Fleets
Basic Cause

OTHER LIABILITY HIGH

Chamber of Commerce Insurance Committee Reports—Both Frequency and Claim Cost High

ST. LOUIS, May 18.—Ambulance chasing lawyers, undue liberality on the part of juries in the St. Louis circuit court and fleet policy abuses are blamed by the insurance committee of the St. Louis Chamber of Commerce for the high automobile premiums for liability and property damage.

The absence of a drivers' license law, uniform traffic regulations and signs and coordination of insurance rate-making are also contributing causes to the high rates. The report is the result of several weeks' study of the automobile insurance situation in St. Louis and other cities.

While St. Louis occupies a better than average position among the major cities in the number of motor vehicle fatalities, the ambulance chasing lawyers in St. Louis have raised the proportion of personal injury and property damage claims far above the ratio in other cities.

Both Frequency, Cost High

The committee found that the non-conference stock, mutual and reciprocal carriers which handle approximately two-thirds of the automobile business in St. Louis also have been forced to raise their rates because of the excessive cost of doing business in St. Louis.

"In most cities having a high average claim frequency the cost of settling claims is relatively low, but in St. Louis both the frequency of claims and the cost of settling claims is high," the report states. "As a result, members of the National Bureau have experienced an increased loss cost per insured car. This average loss cost has increased from \$29.13 in 1927 to \$38.25 in 1930. Compared with other major cities, St. Louis has the third highest loss-cost experience.

Must Accept Jury Duty

"Correcting the evil of liberal jury awards can only be undertaken with the sincere and conscientious support of every business executive in St. Louis in accepting jury duty and encouraging their employees to do likewise. Also the general public serving on juries or otherwise must be educated to realize that directly or indirectly, the money with which to pay these damage awards and claims must ultimately be gotten from the buyers of insurance."

The committee recommends the establishment of a central clearing house for the claims department of insurance companies and others interested in personal injury damage suits, so as to permit the detection of the habitual claimant or repeater and to furnish a more ready check on the activities of lawyers and others involved in damage claims.

Fleet Evils Cited

Another cause for higher rates in St. Louis than elsewhere is the unfair way in which some companies write fleets. "Such abuse," the report says, "is decidedly unfair discrimination against individual policy buyers, and insurance companies should voluntarily take steps to discontinue this practice."

The committee advocated the passage

Qualifying Power Change to Follow Capital Revisions

NO HARDSHIP ON SURETIES

Most Companies Have Been Writing Far Less Than Their Limits
by Preference

In view of the fact that capital adjustments are being carried out by many of the companies, there will be a widespread revision in the qualifying power of surety companies for writing surety bonds. Just what the qualifications may be will depend very largely on what basis is decided upon for the valuation of securities in the mid-year statement. If the commissioners and the treasury department should insist upon June 30 market values, there would be a shrinkage in surplus, which, together with reduction in capital, would greatly limit the bond writing capacity of virtually all of the companies.

However, reduction of qualifying power would work little hardship on the sureties. In prosperous times companies wanted the limit, feeling that to share part of what they might assume was donating "velvet." Now companies fear the possibility of big losses and are assuming liability under bonds for just about the extent of their qualifying power based on actual values.

If a company qualifies to write government bonds, it is limited in the acceptance of net liability under bonds of all descriptions to ten percent of its capital and surplus.

Union Indemnity Cuts Auto Rate in Illinois, Wisconsin

The Union Indemnity is announcing to brokers and agents a reduction of about 10 percent in automobile liability and property damage rates in Wisconsin and Illinois. If the 10 percent reduction results in an odd amount the next higher dollar is charged when the fraction is greater than 50 cents and the next lower dollar when the fraction is less than 50 cents.

of a drivers' license law for Missouri with "rigid regulations governing physical and mental qualifications and severe penalties for the habitually careless driver." It also recommended a financial responsibility law and the elimination of liability for the owner of an automobile for injuries to a guest rider except in case of gross negligence or recklessness.

The committee also points out that the evils that apply to automobile insurance in St. Louis are also factors which have led to enormous increases in the rates for other liability forms. St. Louis pays a higher rate for elevator coverage than any city listed with \$145.50 compared with \$62 upward in other cities. It pays the highest for escalators with \$704 compared with \$191 upward elsewhere, while St. Louis theatres pay a higher rate than in any other city except Boston.

The report shows that St. Louis and Kansas City pay the highest rate for 100 feet of floor space for liability insurance protection on apartments, tenements, rooming houses, etc., with 20 cents compared with as low as 7 cents in other large cities, and the highest rates for department stores, retail and clothing stores with a rate of \$2.04 per 100 square feet as against as low as 50 cents in some other cities on the committee's list.

Douaire Back at Work

Manager George F. Douaire of the Employers Liability at Chicago, who spent some three weeks or more in a hospital getting repaired, is now back at his office.

New Insurance Figure Appears on the Scene



JULIUS H. BARNES

Julius H. Barnes, former president of the United States Chamber of Commerce, has become over night a prominent figure in the insurance business. He is the important factor in the consolidation of the Constitution Indemnity, Detroit Fidelity & Surety and Lloyds Casualty into the Lloyds Insurance Company of America, of which he will be the chairman of the board. It is stated that the group headed by Mr. Barnes is planning to purchase other casualty insurance companies.

Forbids Interference By Utica Mutual With Broker

Formal complaint of J. W. Smith, insurance broker, that the Utica Mutual has been interfering with his business, has been upheld by Superintendent Van Schaick of New York.

Smith was district manager for the Utica Mutual for 15 years. In July of last year he was asked to sign an agreement not to interfere with the business of the Utica Mutual or the Allied Fire in any way by the solicitation of their assured for five years after termination of his employment. He refused to comply and his employment was terminated. Thereafter Smith solicited the business of the assured of these companies.

The Utica Mutual then interfered with the placement of this business and prevailed upon other companies to cancel or refuse such business. Smith then complained.

The Utica Mutual attempted to prove that Smith was in possession of certain lists, books and records of the Utica Mutual and that solicitation of business by him amounted to a raid.

"The evidence does not sustain this contention," Mr. Van Schaick stated. "It has not been proved that Smith used confidential information obtained while in the employ of the company or did anything else improper for solicitation of business in a field open to any broker."

Lloyds Casualty Plan

NEW YORK, May 18.—The Lloyds Casualty management is still devising a comprehensive program in view of the incorporation of the Lloyds Insurance Company and the purchase of the Constitution Indemnity. Backing the movement are men of substance and ability. Probably it will require 10 days or more before any announcement can be made.

Agents No Longer Object to Rates

Company Statements Showing Underwriting and Investment Losses Cleared Atmosphere

GOOD FEELING RESTORED

Local Representatives Convinced Increased Automobile Public Liability Tariffs May Not Even Be Adequate

NEW YORK, May 18.—Since publication of casualty companies' annual statements, revealing heavy underwriting and security valuation losses, agents' recent widespread criticism of rates, especially automobile public liability, virtually has ceased. Local men now are convinced in the light of experience that the tariffs not only are fully justified, but that it is questionable whether they are adequate.

When the new rate manuals were issued in January, many agents held that the scale inevitably would cause them to lose a great deal of their business, and insisted that a downward revision be adopted. This the companies could not possibly comply with in view of the loss record.

Volume Is Decreased

The volume of automobile business in many carriers is materially less than it was last year, but it is not fair to attribute this to the higher rates now in force. While these unquestionably influenced many assureds to reduce their indemnity, economic conditions are held chiefly responsible. Hundreds and probably thousands of motorists who formerly carried substantial lines now are unable or unwilling to do so, and instead either have reduced coverage as to limits or classes, or are uninsured.

The average assured is reasonable, and when the basis upon which casualty companies predicate rates is made clear and the loss trend of the business for several years is presented, readily concedes the justice of the tariffs charged.

Austin, Tex., Hearing May 26

The Texas State Board of Insurance Commissioners will hold a public hearing at Austin May 26 to consider proposed changes in rates and rules for fire and casualty automobile liability covers.

Other Speakers Announced

In addition to those already announced as on the program for the semi-annual meeting of the Casualty Actuarial Society at Hartford, papers will be presented by H. F. Richardson, secretary National Council on Compensation Insurance, and by T. E. Tarbell, actuary of the casualty department of the Travelers.

Another Boston Lawyer Suspended

BOSTON, May 18.—H. B. Harris, a practicing lawyer in Boston and Cambridge since 1913, was suspended from the practice of law for three years by the supreme court for improper practice in connection with automobile damage claims against insurance companies. It was brought out he had forged a "his mark" to an insured's signature receipting for \$1,300 and had held out the money for himself until forced by court action to turn it over.

The Independence Indemnity has been admitted to Kentucky.

CHANGES IN CASUALTY FIELD

Michigan Lineup Is Revised R. E. Baker Chicago Manager

George J. Lieber Announces Reorganization in That State for Fidelity & Casualty

DETROIT, May 18.—George J. Lieber, Michigan manager for the Fidelity & Casualty, has revised the company's setup in the state, reducing the number of districts from six to four. The entire western half of the state now comprises one district under the jurisdiction of Harry Bowles, assistant resident manager, who has been in charge of the Grand Rapids office. He will continue to make his headquarters in that city.

E. F. Schroeder and H. B. Carr continue as assistant resident managers in charge of casualty and surety business respectively for Wayne county. John Rogers, formerly in charge of the Lansing office and later associated with Mr. Bowles in Grand Rapids, will have charge of southeastern Michigan with headquarters in Jackson. Paul Trout, formerly field man in the Grand Rapids office, has been transferred to Flint to handle the northeastern district.

G. F. Williams, formerly in charge of the district office in Flint, is transferred to St. Paul, where he becomes field manager. M. T. Valentine, formerly in charge of the district office in Kalamazoo, has been named manager at Madison, Wis.

Detroit Branch Closed

The Detroit branch office of the Home Indemnity was discontinued May 14. In the future its casualty business in Michigan will be restricted to automobile. E. C. Jolliffe has been branch manager.

Casualty Manager in That City, for Home Indemnity Takes Charge of Preferred Accident Branch

R. E. Baker is resigning as casualty manager in Chicago for the Home Indemnity to become manager of the Preferred Accident in that city. He takes the position, which has been vacant since the resignation of R. W. Lamb last year. Since the retirement of Mr. Lamb, the Preferred Accident in Chicago has been in temporary charge of A. J. Demeree, head of the claim department there.

Mr. Baker has been connected with the Home Indemnity since June, 1931. Before that for two years he was manager of the casualty department of the Alliance Casualty in Chicago. Previously he had been connected with the Metropolitan Casualty and other companies. For eight years he was manager of the casualty department in Chicago for Starkweather & Shepley. His previous experience included five years with the Zurich, part of that time at the head office in Switzerland and part as underwriter at the United States head office in Chicago. He started in the insurance business with the Globe Indemnity in 1911.

Barnes Opens Claim Office

R. C. Barnes has resigned after more than six years' home office field and branch office work as claim adjuster for the Federal Life. He is located in the San Jacinto Trust building at Houston, Texas, and is giving his personal attention to independent adjusting and investigations for life, health and accident

companies. He is regarded as an experienced man and has an excellent reputation.

Maryland Casualty Claim Changes

A sub-office of the Indianapolis claim division of the Maryland Casualty has been opened at Fort Wayne, Ind., with T. M. Cooney adjuster in charge. The Galveston claim division has been closed and the territory formerly handled through that office will be handled by the Houston claim division in charge of Byron Martin, former manager at Galveston. Sinclair Phillips has been made adjuster in charge of the Wilmington sub-office of the Charlotte claim division.

Chicago Branch Promotions

W. A. Browne, who has been assistant manager of the casualty department in the branch office of the Maryland Casualty in Chicago, has been given the title of casualty manager by Resident Vice-President M. G. Grahame. Redmond Madden, who has been assistant manager of the bond department, is now manager of that department.

The managerships of those departments were not filled when Mr. Grahame was made resident vice-president some time ago and John P. Keevers, who had been manager of the bond department, was made resident manager and Charles L. Gibbs, who had been manager of the casualty department, was made assistant resident manager.

Opens Branch at Springfield

The Bert E. Strubinger claim department of St. Louis has opened a branch office in the Holland building at Springfield, Mo., to service a territory 100 miles in radius, including Joplin, Carthage, Monett and Nevada. The office is in charge of N. J. Engler, who has for many years been associated with Mr. Strubinger in his St. Louis organiza-

tion. Mr. Strubinger is a practicing attorney and has for many years maintained an independent claim organization for the greater St. Louis territory in handling motor vehicle casualty lines.

Easterby Philadelphia Manager

C. T. Easterby has been appointed manager of the Philadelphia office of the Zurich, succeeding E. B. Abbott, who goes to the head office in Chicago. Mr. Easterby has been assistant manager of the Alliance Casualty office at Philadelphia since October, 1928.

Resigns as General Counsel

Maj. John L. Baker has resigned as general counsel for the Independence Indemnity, a position he has held since 1925. Previously he had been connected with the legal department of the National Surety, Globe Indemnity and Northwestern Casualty & Surety.

Pollock Made General Agent

The T. H. Pollock Agency, Wheeling, W. Va., has been appointed general agent of the Maryland Casualty for Ohio county, W. Va., succeeding the P. R. Callahan Agency.

Other Casualty Changes

R. L. Pugh, special agent for the Aetna Casualty at Milwaukee, has been transferred to Tulsa, Okla.

The **Ellis & Loeb Co.** of Chicago has been appointed general agent of the Travelers and Travelers Indemnity for all casualty lines.

County Treasurers Not Liable

By decision of the Kentucky court of appeals, county treasurers are relieved from liability for loss of public funds in designated depositories. The court held, however, that such procedure in cities is governed by their respective charter provisions.

**"I want a company
that will be here
as long as I am"**

**observed a prominent general agent recently
as he put his name to an Eagle contract!**

**The Eagle, a member of the Royal Group,
offers financial stability, world-wide service
facilities, and effective sales co-operation.**

***If you are looking for such a company,
write or wire***

**EAGLE INDEMNITY COMPANY
150 William Street, New York**



**THOMAS L. BEAN
Production Manager**

Employers Reinsurance Corporation

A Stock Company

E. G. TRIMBLE, President

KANSAS CITY

Condensed Statement as of March 31, 1932

ASSETS

Real Estate	\$ 289,847.33
Mortgage Loans	848,160.50
Collateral Loans	7,500.00
Bonds, United States Government	\$1,128,381.00
Canadian Government (Statutory Deposit in Canada)	78,750.00
State, County, Municipal	3,575,748.80
Industrial	588,705.50
Railroad	176,783.00
Total Bonds	\$5,548,368.30
Stocks	438,829.80
Total Bonds and Stocks	5,987,198.10
Cash in Banks and on Hand	489,587.72
Premiums in Course of Collection (Under 90 days)	445,729.02
Interest Accrued	103,403.97
Reinsurance Recoverable	65,000.00
Total	<u>\$8,236,426.64</u>

Market Values as of March 31, 1932, used in this statement.

LIABILITIES

Loss Reserve: Liability and Compensation (Schedule P Basis)	\$2,836,111.60
Loss Reserve: Other Classes, Including Investigation Expense	411,415.77
Total Loss Reserves	\$3,247,527.37
Reserve for Unearned Premiums	1,888,875.75
Commissions Accrued on Premiums	125,938.06
Reserve for Contingent Commissions	100,116.52
Reserve for Miscellaneous Bills	7,500.00
Reserve for State and Federal Taxes	109,080.93
Reserve for Contingencies	32,759.00
Total Liabilities	\$5,511,797.63
Capital	\$1,500,000.00
Surplus	1,224,629.01
Total Capital and Surplus	<u>2,724,629.01</u>
Total	<u>\$8,236,426.64</u>

Using Valuations approved by National Convention of Insurance Commissioners would Increase Surplus to
\$1,963,736.92.

NEWS OF THE COMPANIES

Increase in Capital Is Voted

Bankers Indemnity Will Raise That Item to \$1,100,000 and Its Surplus to \$973,408

NEWARK, May 18.—Directors of the Bankers Indemnity have authorized the issuance of 4,000 additional shares of \$25 par value which will be offered to the stockholders at \$125 per share, thus adding \$500,000 to capital, after which \$400,000 will be transferred to surplus, leaving the capital at \$1,100,000 and the surplus, on a convention basis, \$973,408, or a total surplus to policyholders of \$2,073,405.

Directors of the American, which owns 39,084 of the 40,000 shares now outstanding, have taken action authorizing the purchase. In his report to the directors, H. P. Jackson, president of the Bankers Indemnity, cited an increase in premium writings of \$234,253 the first quarter compared with the first quarter of 1931, very marked reductions in expense and loss ratios and a trading profit of \$215,000.

The additional financing outlined has been undertaken by the parent fire company solely to offset the current depreciation in the market value of the Bankers Indemnity invested assets and reflects not only confidence and satisfaction with the operating results but the desire that the affiliated indemnity company be maintained in a strong financial position.

Casualty Company Notes

The Allstate of Chicago has been licensed in Ohio.

After May 28 the executive offices of the Excess, of which James Gibbs is president, will be at 10 Cedar street, New York.

List Investment Trust Stock

Holdings of Insuranshares of Delaware, Insuranshares Certificates, Now in Barnes Group, Given

The reported price which Insurance Equities Corporation is paying for the Constitution Indemnity is \$5 per share in cash. All of the 188,011 shares of the Constitution Indemnity held by the Fire Association of Philadelphia have been purchased at that figure and the Insurance Equities Corporation is holding the offer open to other stockholders until 30 days from May 6. Fire Association carried its Constitution Indemnity stock at \$1,645,096.

The Constitution, according to present plans, is together with Lloyds Casualty and Detroit Fidelity & Surety, to be merged into Lloyds of America, now being formed.

In addition to the Constitution Indemnity, Julius H. Barnes and his associates have acquired control of Insuranshares Corporation of Delaware and Insuranshares Certificates, Inc., which are investment trusts, and Insuranshares & General Management Co., which supervises the investment portfolios of Insuranshares of Delaware and Insuranshares Certificates. E. B. Twombly has been chairman of those three organizations and E. S. Goodwin has been president.

History of Trust

Insuranshares of Delaware was organized in 1928 as an investment company of the specialized management type, but with general management powers. The Goldman, Sachs Trading Corporation, which held one-third of the class A stock of Insuranshares of Delaware, sold its interest to United Found-

ers, and Mr. Barnes and associates through Insurance Equities Corporation have acquired the interest of United Founders and others.

The total income in 1931 of Insuranshares of Delaware was \$366,407; dividends \$292,969; capital \$469,750; paid in surplus \$7,022,291; earned surplus \$11,234.

The insurance company shares held by Insuranshares of Delaware at the end of 1931 consisted of: 2,450 Aetna Life; 8,160 Connecticut General; 300 Lincoln National Life; 860 Travelers; 3,720 Aetna Casualty; 1,735 Fidelity & Deposit; 8,000 General Alliance; 1,000 Hartford Steam Boiler; 12,555 Preferred Accident; 2,000 Protective Indemnity; 4,735 U. S. F. & G.; 129 U. S. Guarantee; 157 Agricultural; 650 American Alliance; 60 Boston; 10 City of New York; 8,000 Continental; 6,200 Fidelity-Phenix; 3,208 Franklin Fire; 1,000 Great American; 12,500 Hartford Fire; 14,200 North America; 5,700 National of Hartford; 2,000 New Hampshire; 6,600 Phoenix of Hartford; 1,000 Providence Washington; 2,400 St. Paul; 1,200 Security of New Haven; 110 Springfield; 450 U. S. Fire.

Insurance Certificates

Insurance Certificates, Inc., was organized in 1929 in Maryland to consolidate into one organization the five investment trust funds against which trust certificates were issued by Insuranshares Corporation (New York). Total assets Dec. 31 were \$5,187,179; capital \$894,539; notes payable \$1,080,000; paid in surplus \$2,744,269; earned surplus \$352,179.

Its insurance company holdings were: 1,370 Aetna Life; 10,000 Connecticut General Life; 100 Kansas City Life; 900 Travelers; 4,200 Aetna Casualty; 2,000 Fidelity & Deposit; 1,000 Hartford Steam Boiler; 4,847 Maryland Casualty; 100 Massachusetts Bonding; 2,636 New Amsterdam; 355 New Jersey Fidelity & Plate Glass; 10,700 Preferred Accident; 1,000 Protective Indemnity; 10,275 U. S. F. & G.; 145 U. S. Guarantee;

360 Agricultural; 1,485 American Alliance; 1,500 American of Newark; 600 American Reserve; 131 Boston; 105 City of New York; 8,000 Continental; 276 Fidelity & Guaranty Fire; 6,800 Fidelity-Phenix; 2,568 Franklin Fire; 300 Great American; 350 Hanover; 15,000 Hartford Fire; 12,375 North America; 6,020 National of Hartford; 125 Canada Life; 25 Sun Life; 286 New Hampshire; 100 North River; 780 Northwestern National Casualty; 780 Northwestern National Fire; 9,000 Phoenix of Hartford; 1,530 Providence Washington; 817 St. Paul; 4,235 Security of New Haven; 212 Springfield.

Insuranshares & General Management Co. was organized in March, 1927, under the title Insuranshares Management Corporation. It took its present title in 1930.

Propose Capital Reduction

Directors of Fidelity & Deposit Approve Plan to Cut From \$6,000,000 to \$2,400,000; \$3,600,000 to Surplus

BALTIMORE, May 18.—Directors of the Fidelity & Deposit yesterday proposed a plan whereby par value of the capital stock would be reduced from \$50 a share to \$20. This would mean cutting capitalization from \$6,000,000 to \$2,400,000 for the 120,000 common shares outstanding.

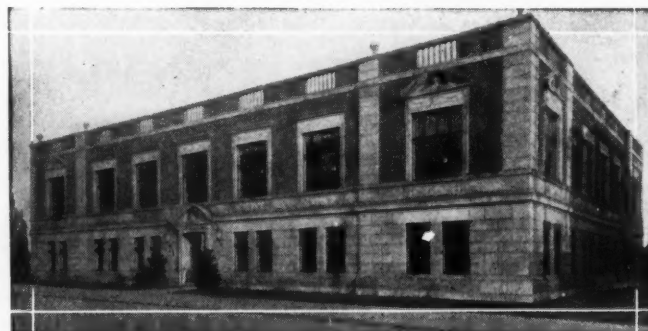
The difference between the present and new capital, \$3,600,000, would be transferred to surplus. The proposal will be presented to stockholders at a special meeting called for June 14.

Plans of Benjamin Franklin Bond & Indemnity Disclosed

The Benjamin Franklin Bond & Indemnity of Phoenix, Ariz., capitalized at \$400,000, with surplus of \$63,000, which was recently licensed by the Cali-

Assets

\$3,204,645.43



HOME OFFICE BUILDING :: HAMILTON, OHIO

Surplus to Policyholders

\$1,114,515.94

THE OHIO CASUALTY INSURANCE COMPANY

HAMILTON, OHIO

FULL COVER AUTOMOBILE — LIABILITY — PLATEGLASS —
BURGLARY — FIDELITY AND SURETY BONDS
AUTOMOBILE ACCIDENT

fornia department, will write fidelity and surety at present but expects to ultimately write general casualty lines. Its principal office is at 630 Black building, Los Angeles, although the charter is in Phoenix. E. P. Jones, attorney, is president; G. L. Reay, vice-president; R. J. Johnson, treasurer; Paul Boyd, secretary, and B. F. Boyd, general manager. Mr. Boyd is the only insurance man in the organization, having been head of the B. F. Boyd Company, Los Angeles brokerage office for the past 20 years. The company plans for the present to confine its operations to California and Arizona, later entering Washington, Oregon, Nevada and Utah.

Standard Accident Adds to Surplus

DETROIT, May 18.—The Standard Accident has altered its capital structure so as to provide an additional \$1,500,000 surplus. Approval of the insurance and attorney general's departments of the several steps involved has just been obtained.

Stockholders first voted to reduce the capital from \$2,500,000 to \$1,000,000 transferring \$1,500,000 to surplus. It was then voted to reduce par value of stock from \$50 to \$20, in line with the change in capitalization, and \$2,000,000 set as the authorized capital. The additional stock will be issued at the new valuation, it was indicated.

American Surety Increases

Increase in assets and net surplus at the end of the first quarter of this year as compared with December 31, 1931, is reported by the American Surety. Capital remains at \$7,500,000; surplus \$3,872,778, as compared with \$3,394,645; unearned premiums \$6,173,339; total assets \$25,351,563, as compared with \$24,823,232. The home office property is valued at \$8,300,000, which is about a million dollars less than that allowed by the New York department. Securities are carried at June 30, 1931 values, except certain items which are entered at March 31, 1932 prices. Stocks of subsidiaries are carried at par or cost, being less than book value.

Consolidated's Licenses Withheld

LANSING, MICH., May 18.—The Michigan department has refused to license any of the agents of the Consolidated Indemnity for the fiscal year which began April 1. The department notified the company, in rejecting its requisition for licenses, that it was dissatisfied with its conduct in this state. The department decided not to cancel the license of the company itself because of pending claims.

Lumbermen's Mutual Directors

Harry A. Wheeler, former president of the U. S. Chamber of Commerce and a director of the First National Bank of Chicago, was elected a director of the Lumbermen's Mutual Casualty at its annual meeting. He has served for several years as chairman of the company's securities committee.

H. E. Stone, president Lumber Mutual Fire of Boston, was elected also to the board and J. P. Orr, president of the Potter Shoe Company, Cincinnati; C. J. Rittenhouse, secretary-treasurer, Rittenhouse & Embree Company, and G. P. Rinn, president Phillip Rinn Company, both of Chicago, were added to the advisory board. H. L. Kennicott, assistant secretary, was elected resident secretary.

Union Indemnity Wins Point

Under the Louisiana law, obligations of a contractor's surety to pay for labor and material used in public work are restricted to creditors of the contractor and his sub-contractors and do not extend to creditors of material men. This was the decision of the Louisiana supreme court in J. Watts Kearny & Sons vs. Perry and Union Indemnity.

FIDELITY AND SURETY NEWS

Criticizes Suspension Bill

Michigan Governor Signs Three Emergency Measures to Relieve Public Fund Depository Situation

LANSING, MICH., May 18.—Gov. Wilber M. Brucker has signed the three bills passed by the Michigan legislature at its extra session affecting depository bonds. He strongly criticized the lawmakers' action, however, in amending one of the measures to provide for a general suspension until July 1, 1933, of depository bond requirements for public funds placed with banks and trust companies. He characterized this action as a "most dangerous policy" perhaps invalidating the entire act to which it was attached. "While I have signed the act," he said, "I do so only because of the imperative need for the provisions of the bill as originally introduced and with strong disapproval of the provisions added before its final passage."

The amendment places such public fund deposits on a par with all other

deposits in banks and trust companies. Since funds may be shifted among depositories at the will of the officials in power, it is evident the executives fear that such moneys might be transferred in order to bolster shaky banks, thus jeopardizing public funds. Even without juggling of such funds, the governor evidently sees peril in permitting public funds' deposits without special safeguard in these times when tax collections are difficult and every cent of revenue is greatly needed.

Joint Schedule Bond for M. W. A.

The Modern Woodmen of America executive council has accepted a joint proposal of the National Surety and Fidelity & Deposit to issue a schedule bond covering all officers of local camps, and jointly and as co-sureties.

To Award Big Dam Contract

NEW YORK, May 18.—Award will probably be made June 15 for the construction of the San Gabriel dam in California. The estimated cost of the work

is \$7,000,000 and close to five years will be required for its completion. It is assumed the customary bond of 50 percent of the award will be required of the successful bidder. It has been intimated that instead of a flat 50 percent bond being called for, the form of indemnity may be evenly divided, half the amount covering on labor and materials and the other guaranteeing performance.

Urge Reporting Delinquencies

Failure of solicitors or agents to account for money collected by them and due to their employers or companies should be reported to the Maryland commissioner, E. C. Schauchhardt & Co., Baltimore general agents Fidelity & Casualty, urge in an open letter to all general agents and branch offices in that city. The commissioner's office maintains a list of all agents whose licenses have been revoked "under fire" by the department, the agency states, and a "suspect" list also is maintained covering the names of all agents against whom serious charges have been made, but who for one reason or another have not been given a hearing. Schauchhardt & Co. state full cooperation of the commissioner has been assured, and urges that all general agents and branch offices report delinquencies.

Special Rate Consideration for Farmers A "Scoop" for Illinois National Casualty Agents

SEVERAL years of careful underwriting automobile insurance exclusively indicates that farmers drive their automobiles fewer miles, less hours, at lower rates of speed and with infrequent accidents.

These facts are proven and the Management feels that a rate consideration is in order. We are not cheapening our service or providing less coverage but issuing our regular standard policy at a special rate to a preferred class of automobile owners.

This is one of the many reasons why Illinois National Casualty agents in Illinois and Indiana are increasing their volume. To be able to offer a reliable Stock Company policy to farmers at rates based upon the experience of that group is a sales fact well worth your consideration.

If you are interested in securing the insurance on more farmers' automobiles you will write to our nearest office today.

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Phone Capitol 133

Kankakee
Arcade Bldg.
Phone: 28

Belleville
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President

HOME OFFICE
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CHICAGO Whitehall 6802

C. H. BARR
Vice-President

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Edward T. Harrison, President
Dallas, Texas



AUTOMOBILE	PUBLIC	BURGLARY	ACCIDENT
LIABILITY	LIABILITY	THEFT	HEALTH
PROP. DAMAGE	TEAMS	PLATE GLASS	WORKMEN'S
COLLISION	ELEVATOR	STEAM BOILER	COMPENSATION

General Accident



FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.

FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING - 4TH & WALNUT STS.
PHILADELPHIA

ACCIDENT AND HEALTH FIELD

"Proximate Cause" Rule Held

Pennsylvania Supreme Court Construes Septic Poisoning in Claim Under Accident Policy

The Pennsylvania supreme court in *Dale, executor, vs. Standard Accident*, construes an accident policy which provided that the company would be liable for septic poisoning only if the policyholder "shall accidentally wound himself while engaged in his regular occupation, and by reason of such wounding and simultaneous therewith, shall be inoculated with septic poison." The court holds that the "proximate cause" rule is applicable.

The assured broke his leg in an automobile accident, Sept. 22, 1929. While he was recovering he was struck by a heavy door, Jan. 16 following, resulting in a fracture of the malar bone. He died March 20 from septic pneumonia. The Standard Accident claimed that the policyholder was not inoculated with septic poisoning while engaged in his regular occupation and contended that death occasioned by septic poisoning in any other manner than provided in the policy was not a risk insured against. The court held that the proximate cause of death was the accidental injury received Jan. 16 and affirmed judgment for the beneficiary because "there was no break in the continuity of the consequences of the injury and no intervening cause in the resulting disability."

Los Angeles Sales Congress

Accident & Health Managers Club Announces Program for First Event of Kind in West, May 26

LOS ANGELES, May 18.—The Accident & Health Managers Club of Los Angeles will hold the first accident and health sales congress ever staged west of the Mississippi, May 26 from 2 to 5 p. m. The program follows:

Address of welcome, W. E. Lebb, Behrendt-Levy-Rosen Co., president Los Angeles club.

"Why Sell Accident and Health Insurance?" I. C. Cunningham, Occidental Life, vice-president of the club.

"Accident and Health Insurance as a Door-opener for Other Lines of Insurance," R. A. Brown, Pacific Mutual Life, president Life Underwriters Association of Los Angeles.

"Advantages of a Planned Sales Talk," R. A. Hoghe, Aetna Life.

"The Public's Attitude toward Accident Insurance," C. M. McKee, Rule & Sons agency.

"The Salesman and His Enthusiasm," C. A. Whitechurch, Continental Casualty.

"The Viewpoint of the Claim Adjuster," L. Z. Mudra, Continental Casualty.

"Insurability of the Applicant," W. M. Stufflebeam, Retail Credit Company.

R. E. Bridges assistant manager Travelers, is general chairman.

At last week's meeting, Joseph Charleville, managing director Life Underwriters Association of Los Angeles, talked on the activities of local trade organizations in promoting the best interests of the business represented. He heartily commended the sales congress plan.

The Gibraltar Life & Accident of Denver has been licensed for life, accident and health business in Nebraska and Oklahoma. The new territory will be developed from the home office.

Reduce Insurance Rates

Recommend
**JUSTRITE OILY WASTE
AND SAFETY CANS**

Approved and Labeled by the Underwriters Laboratories and Associated Factories Mutual Insurance Co.'s
JUSTRITE MANUFACTURING CO.
2607 SOUTHPORT AVE. CHICAGO, ILL.

Anchor Enters A. & H. Field

St. Paul Company Starts New Department June 1—G. U. Blomholm to Be in Charge

ST. PAUL, May 18.—The Anchor Casualty will begin writing accident and health insurance in Minnesota June 1, and plans to make an active bid for that class of business. Up to the present time the Anchor has been writing automobile and compensation lines.

G. U. Blomholm, who has been identified with the accident and health business in Minnesota and Iowa for past 12 years, with the Royal Union Life, Des Moines Life & Annuity, Travelers Equitable and the North American Life & Casualty, will be in charge of the new department. He already has joined the Anchor staff here.

The accident and health policies, now in the hands of the state insurance department for approval, have some novel features. It will use a merit rating retention plan in its accident policies, the assured to take care of claims up to 15 percent of the premium. Full indemnity will be paid for two years for total disability and half indemnity for three months for partial. On the illness coverage, payment is made for one year for confining and for two months full rate for non-confining.

By the payment of 5 percent additional premium, the assured will be given what is termed an accumulative payment plan. For the first two months he will be paid the amount specified by the policy and beginning with the third month the payments will increase 10 percent a month until the monthly payment reaches 200 percent of the face value of the policy for accident coverage and 150 percent for health.

Eye Injuries Topic Before Chicago Claim Association

An interesting talk on eye injuries was given at the May meeting of the Chicago Claim Association, the last one of the season, by Dr. Virgil Wescott, prominent Chicago eye specialist, who has had considerable experience in insurance work.

Dr. Wescott said the first statement made by every claimant who has had an eye injury is that he had perfect vision in the eye before the injury. He declared that very few people can tell what their visual acuity really is and pointed out the large number of cases of defective vision brought out by army examinations at the time of the war and by examinations now generally being made in the public schools. He showed that in many cases, particularly in detachment of the retina, while the injury may be the direct cause, there must have been a weakness or diseased condition already existing for the injury to have the effect it did. He said that cataract, particularly after age 50, is more likely to be due to systemic changes than to injury.

The dinner was served on the diners of the "Blackhawk" and "Ak-sar-ben," crack trains of the Burlington railroad, at the Union station.

Portland-Seattle Joint Meeting

SEATTLE, WASH., May 18.—The second regional conference of the Portland and Seattle Accident & Health Managers Clubs was held here with more than 150 accident and health men from all sections of the northwest in attendance.

At the morning session W. B. Combs, National Life U. S. A., Portland, spoke on "Blind Insurance vs. Planned Insurance," and R. L. Aldrich, Massachusetts Bonding, on "Cooperation of Agent and

Adjuster Vital to Business Production." At the afternoon meeting F. C. Bintliff, Missouri State Life, Portland, spoke on "Should a General Agent Finance Premiums." The usual evening banquet closed the conference.

Pick Collins for President

DETROIT, May 18.—The nominating committee of the Detroit Accident & Health Managers Club was unanimously instructed by the members at the May meeting to place the name of John P. Collins, agency supervisor of the National Casualty and founder and first president of the Detroit club, in nomination for the president for the 1932-33 year. The election is to be held in October. The June meeting will be the last of the present administrative year.

Retiring From Canada

The Monarch Accident is retiring from Canada and has reinsured its Canadian business in the Protective Association of Canada of Granby, Que. The head office of the Monarch Accident for Canada at Toronto is being maintained as the Monarch branch of the Protective Association. The Monarch Accident was consolidated last year with the Monarch Life. That company could not secure a license in Canada, as there is already another company of the same name there.

Investments at Market Rate

Employers Reinsurance Issues a New Financial Statement With Figures Taken as of March 31

The Employers Reinsurance of Kansas City has issued a new financial statement as of April 1, giving its figures for the first three months. It owns in bonds \$5,548,368 and in stocks \$438,830. It has \$489,588 in cash. The total assets are \$8,236,427. The liability and compensation loss reserve is \$2,836,112 and loss reserve for other classes \$411,416, making total \$3,247,528. Its premium reserve is \$1,888,876. The Employers Reinsurance has capital \$1,500,000 and net surplus \$1,224,629. It has used the market values as of March 31, which with the figures present a true picture on bed rock calculation. Using the valuations approved by the National Convention of Insurance Commissioners, the net surplus would be increased to \$1,963,737. The Employers Reinsurance has met the situation very frankly.

Interstate Rating Plan

NEW YORK, May 18.—Tennessee and Missouri alone of some 26 states have not yet approved the determination of the National Council on Compensation Insurance to discontinue as of July 1 the plan of interstate rating for several thousand risks, and instead to rate them according to intrastate experience. It is hoped that both states, however, will add their sanction to the plan within a short time. The interstate rating method has never been employed in New York, New Jersey, Massachusetts, California and Texas, these states each having its own rating organization, insisting that tariffs be named by it and based on home state experience.

Attack Nebraska Service Law

LINCOLN, NEB., May 18.—The constitutionality of the Nebraska law permitting service on non-residents of Nebraska in automobile damage accident cases, although sustained by the state supreme court, is being challenged in the federal court in Nebraska by several insurance carriers. The chief point of contention is that the law, which provides that service may be had upon the secretary of state, who shall notify the persons sued by mail, is too indefinite and uncertain.

CASUALTY ASSOCIATION NEWS

Explains Compensation Work

New Jersey Labor Commissioner Tells Casualty Underwriters Association of Recent Amendments to Law

NEWARK, May 18.—Amendments made to the compensation act in New Jersey through the suggestions of the special commission appointed about a year ago by Col. C. R. Blunt, labor commissioner of New Jersey, and other minor recommendations made by the same commission, were explained in detail by the commissioner at a luncheon-meeting of the Casualty Underwriters Association of New Jersey.

He also spoke of the ambulance chasing nuisance, which is being slowly eliminated, and said the workmen's compensation bureau is now holding monthly meetings, attended by all referees and investigators, when problems were discussed. The commissioner invited the members of the association to attend any of the meetings. A resolution was adopted that a committee of three be ap-

pointed to attend these meetings at various intervals.

President W. A. Schaefer of the association pointed out a number of abuses that exist in various parts of New Jersey, which the commissioner promised to take up. The annual outing of the organization will be held June 21 at the Essex Falls Country Club. A number of prominent casualty officials are expected to attend. Among the guests at the luncheon were H. B. Nelson, president of the New Jersey Underwriters Association, and B. J. Mackey, president of the New Jersey Casualty & Utilities Claim Men's Protection Association.

Compensation Des Moines Topic

DES MOINES, May 18.—R. G. McComas, assistant superintendent of the casualty department here of the United States Fidelity & Guaranty, spoke at the May meeting of the Casualty & Surety Club of Des Moines on "Workmen's Compensation Insurance." Miss Marion L. Telford, field secretary educational division, National Safety Council, was present and made a brief talk. She is in Iowa assisting Miss

Agnes Samuelson, state superintendent of schools, in formulating a program of safety for the Iowa schools.

Chicago Field Day May 26

The field day of the Surety Underwriters of Chicago, set for May 17, has been postponed to May 26, when it will be held jointly with the annual tournament of the Illinois Insurance Federation at the Elgin (Ill.) Country Club. There are 45 reservations to date and many down-state federation members will attend. A joint committee is in charge of arrangements, including J. E. Callender and R. E. Hall, Ocean Accident; F. M. Chandler, federation president, of Jones & Whitlock; Ogden Davidson, Massachusetts Bonding; A. G. Stanten, Conkling, Price & Webb, and E. M. Ackerman, executive secretary.

Explains Marine Coverage

INDIANAPOLIS, May 18.—C. R. Kealey, special representative of the Marine Office of America, gave a talk to the Casualty & Surety Field Club of Indianapolis. Mr. Kealey explained the ocean marine, river and all inland marine coverages and the all risks lines, giving specific information on all.

COMPLETENESS



The time is coming when the insurance agent will become the Insurance Counsellor.

Modern people, ever conservative of time and interests, will one day seek out the ONE responsible agency.

A Continental connection can help you bring this day closer. Continental facilities, service, development—evidence of Continental DURABILITY—are ideal in completeness.

**CONTINENTAL
ASSURANCE**

CHICAGO



**CASUALTY
COMPANIES**

ILLINOIS

Premiums and Losses in 1931 in MISSOURI on All Casualty Lines

	Premia.	Losses	Auto. Liab. Premia.	Liab. Losses	Other Liab. Premia.	Liab. Losses	Wor. k. Comp. Premia.	Comp. Losses	Fidelity-Surety Premia.	Surety Losses	Plate Glass Premia.	Glass Losses	Burglary-Theft Premia.	Theft Losses	Prop. D. & Coll. Premia.	D. & Coll. Losses
Aero Indem.	10,433	159			6,617	112	532		137,711	60,079	10,344	8,008	60,131	62,560	2,009	47
Aetna Cas.	449,304	277,852	134,685	99,501	4,925	368	15								85,194	43,351
Aetna Life	614,657	400,387	181,675	184,835	102,900	41,586	145,109	86,574								2,379
Alliance Cas.	43,678	23,899	11,333	11,472	8,986	1,169	10,029	5,747	1,625	25	264	1,874	3,885	1,057		2,292
Allstate	59	5,923		5,923												
American Auto.	565,356	377,048	536,182	350,995			19,501	14,135							9,373	11,918
American Bond, Md.	46,795	2							12,115				34,679			97
Amer. Employ., Mass.	117,405	95,730	26,437	20,609	21,784	5,563	45,852	31,846	5,242	31,114	1,355	393	3,539	371	8,295	6,655
American Indem.	61,320	68,654	16,511	19,189			85	39							5,632	646
American Mut., Ill.	24,610	1,962	18,933	1,277	40										4,362	1,895
Amer. Mut. Liab.	134,072	115,958	14,471	17,743	11,877	3,023	100,272	93,294	3,066	4			25		15,597	4,628
American Pref. Risk.	62,064	7,049	35,377	1,427	8,450	747	774	67			212	64	1,027		32,265	667
Amer. Reins.	306	64,889	—454	19,547	101	10,896	661		1,234						6,681	1,134
Amer. States	26,048	2,094	17,593	477											3,759	972
Amer. Surety	280,431	93,903	12,558	1,794	8,489	916	7,845	2,733	210,229	71,684	2,216	331	35,166	15,472	8,428	9,819
Associated Indem.	72,678	73,700	27,069	40,044	10,075	725	18,199	13,775	1,486	648	3,095	826	3,571	3,067	6,351	2,394
Bankers Indem.	68,375	27,274	25,386	9,887	9,673	2,060	15,037	8,878	2,394		2,929	741	6,110	1,543		1,042
Central Mut.	—7,393	1,632	—9,466	1,289											7,101	3,335
Central Mut. Cas.	54,870	20,522	12,290	3,657	24,649	8,658	26,704	19,227	24,197	5,093	21,192	8,691	9,506	4,324	21,394	8,583
Central Surety	197,431	96,294	64,692	43,587	22,449										19,924	19,913
Central West Cas.	111,322	69,717	61,458	19,314	22,236	11,941	376	12	2,393	25,150	1,746	331	1,918	1,668	19,924	19,913
Century Indem.	15,726	51,966	4,348	618	760	60	1,983	5,287	6,632	45,295	186	98	381	188	1,356	381
Columbia Cas.	121,478	73,156	21,018	17,605	11,698	2,009	30,169	21,581	30,765	19,881	2,495	1,052	4,797	2,114	7,704	4,148
Commerce Cas.	35,050	14,616	14,269	9,460	5,104	848	2,919	813	893		1,132	327	3,696	503	8,759	1,804
Commercial Cas.	110,163	91,110	34,463	20,589	15,370	8,270	19,337	21,453	5,783	17,928	2,083	1,079	6,030	8,634	11,189	4,026
Consolidated Indem.	38,574	7,425	2,006	925	2,310	103	6,774	5,664	24,608	44	64		670		2,144	689
Constitution Indem.	113,586	46,645	20,386	8,091	23,995	4,053	39,714	26,264	7,589	774	7,728	3,113	5,104	699	6,804	3,327
Continental Cas.	423,337	261,568	49,704	25,521	17,177	4,897	26,387	21,190	11,898	2,988	1,261	956	10,442	3,721	17,007	6,829
Contractors Cas.	38,288	19,159	8,444	5,354			29,844	13,805							3,458	987
Detroit Fld. & Sur.	31,991	16,433	8,871	2,653	1,924	385	4,755	2,344	11,698	9,957	450	107	740		84	167
Eagle Indem.	3,282	—369	678		1,004	5	956	367	20	—1,089	52	241	321		2,500	849
Employers Cas.	38,399	20,356	7,745	1,253	3,099	950	24,327	17,349			669				51,136	19,512
Employers Liab.	703,084	423,129	186,193	141,113	134,650	96,394	220,482	120,976	38,012	6,763	4,311	2,167	44,218	22,926	11,452	6,134
Employers Mut. Cas.	65,023	56,852	26,015	27,845	2,576		12,228	13,619			1,662	617			34,777	11,133
Employers Reins.	163,619	190,204	77,918	34,033	13,674	810	28,851	7,783	2,889	12,315			5,452	117,700	4,786	967
Farmers M. Hail, Ia.	13,652	4,181	5,429	1,583					102,623	80,714	27,056	8,901	101,671	42,084	57,787	20,211
Fidelity & Cas.	894,225	766,059	195,946	198,316	114,063	108,928	198,485	186,396	237,304	152,686	61	136	5,219	32,250	516	
Fidelity & Dep.	242,588	185,072			190				3,302		33		588		37,536	12,609
Fireman's Fund	6,694		1,693												26,657	11,432
Fort Dearborn	165,194	72,786	111,709	52,137											13,319	2,348
General Accel.	249,349	147,334	83,928	60,510	48,139	20,725	51,430	31,382			4,481	1,954	13,688	6,542	6,151	3,688
Genl. Cas. Am., Wash.	61,049	16,668	39,102	11,283	3,673	757	3,005	1,809	1,78		1,662	291	1,109	180	20,390	10,166
General Indem.	47,100	14,952	19,870	8,746	2,459	570	3,116	1,227	1,604	578	939	641	1,379	250	13,410	5,974
Globe Indem.	464,085	353,079	79,878	52,067	98,378	79,169	158,359	149,219	50,334	48,070	5,616	2,692	29,744	5,740	19,637	5,199
Great Amer. Indem.	196,408	370,221	47,484	24,613	30,463	2,440	44,354	12,130	30,826	315,219	4,141	1,111	13,585	6,121	12,759	3,583
Guar. of N. Amer.	9,303	5,469							9,303	5,469					13,066	3,968
Hardware Mut. Cas.	68,224	34,637	33,954	20,146	2,747	11	14,244	10,448			3,839	935	327		58,351	30,763
Hartford Accel.	1,001,038	739,599	194,872	142,080	164,636	96,998	355,487	337,024	108,625	40,560	16,713	5,227	74,382	38,241	9,551	2,455
Home Indem.	50,983	21,876	30,152	12,372	2,211	75	5,977	4,161	1,691		377	96	734	2,164	31,650	7,274
Illinois Cas.	66,687	35,453	56,526	24,506					16,490	4,088	7,573	2,898	12,940	7,101	18,164	7,771
Indem. of No. Amer.	203,681	96,055	69,424	34,861	33,995	9,685	34,650	26,882	38,539	5,210	39,848	7,354	13,535	2,860	9,685	18,621
Independence Indem.	201,295	180,486	37,890	56,683	22,599	7,485	64,816	38,539	5,210	39,848	7,354	1,233	13,535	2,860	1,866	1,675
International Reins.	13,563	30,447	6,899	8,325	4,444	8,325	6,415	10,156	1,517		406				9,116	4,761
Liberty Mut., Mass.	325,130	154,301	72,158	22,707	14,718	—1,720	226,400	127,918	1,849		162	34	456	600	11,777	7,875
Lloyds Cas.	104,651	51,569	43,407	25,804	13,395	1,542	14,521	8,078	224		17,014	5,807	2,721	2,036	4,199	911
London & Lanc.	36,926	13,766	13,613	3,001	2,850	4,590	5,110	1,483	4,087	50	109	38	4,732	2,923	12,174	5,974
London Guar.	124,761	89,726	36,494	25,212	12,538	7,997	40,792	39,507		108	1,859	288	2,891	1,332	19,037	5,199
Lum., Mut. Cas.	151,167	78,728	48,888	29,833	13,475	4,376	63,876	34,905	790	668	2,787	1,356	697		2,592	195
Mfrs. Casualty	26,060	8,775	10,817	1,473	389		12,561	7,108							65,550	24,587
Maryland Cas.	1,036,435	467,045	225,284	85,537	116,965	48,802	333,160	190,207	142,303	60,984	15,356	5,420	75,755	29,013	11,773	3,955
Mass. Bonding	203,410	94,126	43,848	21,047	22,739	13,465	10,253	11,490	43,818	8,139	4,532	1,810	10,595	2,726		
Medical Protect.	68,699	62,278			68,699	62,278									12,160	2,381
Merchants Indem.	1,382	924			801	649					353	25			10,866	4,566
Metropolitan Cas.	96,037	105,072	18,790	27,589	12,488	14,378	35,126	48,640	8,962	3,114	4,183	2,340	5,222	1,345	10,876	4,129
Missouri Cas.	35,003	11,148	20,749	8,502											22,172	19,510
Mutual Prot., Mo.	47,227	16,236	25,193	6,745							847	301	4,282		13,440	9,217
National Cas., Mich.	108,762	41,728	28,867	8,437	6,991	1,559	11,534	5,578	10,593		7,656	1,021	74,396	55,970	13,411	7,556
Natl. Surety, N. Y.	418,821	223,201							286,058	146,667	5,947	2,845	—12,056	68,493	2,202	
Natl. Union Indem.	223,143	265,098	83,512	119,443	38,641	28,854	68,814	30,740	16,068	213					2,590	900
New Amsterdam Cas.	305,397	179,235	41,893	13,370	63,982	34,845	71,160	67,700	68,260	34,362	8,521	2,898	27,506	5,200		
New Century Cas.	4,107	1,547									3,588	1,547	519			
N. J. Fld. & Pl. Glass.	119,584	120,676	56,844	48,906	2,632				2,050	55,244	8,793	2,651	35,864	6,280		
New York Cas.	1,069	11,061	—11,492	6,600	2,410	295	1,067	47	1,916	336	8,706	2,950			202	
Norwich Union	2,645	1,912	77	75	1,561	1,257	298	544							15,349	6,080
Ocean Accel. & Guar.	489,636	273,856	40,566	64,319	168,525	27,886	115,841	97,028	21,986	28,165	2,298	346	37,934	12,083	11,089	7,893
Ohio Cas.	79,117	80,804	36,432	60,036	1,679	4,865			20,503	5,000	6,588	2,873	2,746	138	2,135	528
Phoenix Indem.	13,795															

(CONT'D FROM PRECEDING PAGE)

	Prem.	Losses		Prem.	Losses
International Reins.	1,635		Monarch Life	58,645	33,677
Inter-Ocean Cas.	15,863	12,657	Pacific Mut. Life	161,023	147,784
Interstate Bus. M.	42,355	26,321	Reliance Life	210	
Life & Cas.	70,527	34,249	Sentinel Life	7,601	1,278
Lloyds Cas.	759	426	Standard Acci.	50	
London & Lanc.	2,225	771	Travelers	2,390	5,582
London Guar.	13,534	3,974	U. S. F. & G.	399	
Loyal Prot.	23,841	11,791	Total, 1931	\$ 545,846	\$ 405,006
Lumber Mut. Cas.	1,616	2,091	Total, 1930	\$ 389,520	\$ 182,390
Maryland Cas.	40,028	18,354	CHECK FORGERY		
Mass. Bonding	55,852	31,495		Prem.	Losses
Mass. Indem.	7,649	9,195	General Indem.	\$ 11,515	\$ 748
Mass. Prot.	12,229	19,839	Total, 1930	\$ 3,217	
Metropol. Cas.	4,176	1,851	CREDIT		
Metropol. Life	598,608	274,567		Prem.	Losses
Midland Cas.	9,029	5,117	Am. Cred. Indem.	\$ 40,888	\$ 23,452
Missouri Ins.	673,237	387,581	London Guar.		4,992
Missouri State Life	353,014	150,568	National Sur.	49,811	19,542
Monarch Life	21,004	12,537	Ocean Acci.	1,025	—326
Mut. Cas., Ill.	1,897	246	Total, 1931	\$ 91,724	\$ 47,660
Mut. Prot.	2,951	2,225	Total, 1930	\$ 97,897	\$ 43,990
National A. & H.	4,738	2,165	STEAM BOILER		
National Cas.	34,773	20,755		Prem.	Losses
National L. & A.	287,775	148,594	Amer. Employ.	\$ 110	
National Life, U. S. A.	5,178	2,807	Amer. Reins.		104
National Travel.		3,840	Columbia Cas.	4,384	1,063
Natl. Union Indem.	46		Cont. Cas.	2	
New Amsterdam	8,633	6,442	Eagle Indem.	119	
No. Amer. Acci.	96,521	40,825	Employ. Liab.	2,949	357
Norwich Union	146		Fidelity & Cas.	14,154	875
Ocean Acci.	62,822	39,768	General Acci.	2,895	
Ohio Cas.	80		Hartford S. B.	73,092	13,751
Old Line, Neb.	340	360	Independ. Indem.	1,327	389
Pacific Mut. Life	68,704	29,129	Internatl. Reins.		130
Pacific St. Life	303	1,270	Lloyds Cas.	834	
Phoenix Indem.	2,425	332	London Guar.	1,317	
Physician's Prot.	1,704	35	Maryland Cas.	14,023	2,097
Postal Life & Cas.	16,782	2,808	Ocean Acci.	9,434	1,499
Preferred Acci.	13,579	6,154	Royal Indem.	1,832	
Prov. L. & A.	85,309	38,433	Travelers Indem.	14,801	2,001
Prudential	50,988	3,861	Union Indem.	6,560	278
Public Indem.	—335	3,255	Total, 1931	\$ 148,927	\$ 22,550
Reliable L. & A.	365,148	195,933	Total, 1930	\$ 170,436	\$ 37,471
Reliance Life	4,313	1,656	ENGINE AND MACHINERY		
Royal Indem.	3,553	2,667		Prem.	Losses
Security, Kan.		11,430	Aetna Cas.	\$ 205	\$ 69
Security Mut. Cas.	3		Columbia Cas.	911	35
Sentinel Life	48,579	22,278	Employ. Liab.	1,789	
Standard Acci.	15,024	24,492	Fidelity & Cas.	1,155	78
State Farm Life	944	240	Hartford S. B.	26,598	6,831
Sun Indem.	3,850	878	Independ. Indem.	1,874	
Supreme Lib. Life	1,807	1,322	London Guar.	3,163	
Travelers	285,001	166,668	Maryland Cas.	5,069	210
Union Auto.	181	297	Ocean Acci.	4,856	10
Union Indem.	27,374	18,336	Royal Indem.	600	
United Cas.	890	502	Travelers Indem.	1,911	30
U. S. Casualty	20,092	4,078	Union Indem.	484	15
U. S. F. & G.	17,876	14,835	Total, 1931	\$ 48,974	\$ 7,573
U. S. Guar.	990		Total, 1930	\$ 39,510	\$ 13,304
Wash. Natl.	189,688	89,725	SPRINKLER LEAKAGE		
West. & South. Indem.	105	118		Prem.	Losses
Western Cas. & Sur.	68		Aetna Cas.	\$ 6,923	\$ 2,897
Yorkshire Indem.	125		Maryland Cas.	2,942	1,834
Zurich	59,135	11,307	Union Indem.	55	
			U. S. F. & G.	669	278
Total, 1931	\$5,378,545	\$3,165,281	Total, 1931	\$ 9,920	\$ 4,731
Total, 1930	\$5,315,010	\$3,950,316	Total, 1930	\$ 18,607	\$ 7,351
NON-CANCELLABLE H. & A.			LIVE STOCK		
	Prem.	Losses		Prem.	Losses
Aetna Life	\$ 2,535		Hartford L. S.	\$ 3,619	\$ 1,191
Bus. Men's	3,939	997	Indem. N. Amer.	128	
Columb. Natl.	803	5,000	Total, 1931	\$ 3,747	\$ 1,191
Conn. Genl.	7,197	380	Total, 1930	\$ 15,326	\$ 3,690
Cont. Assur.	6,904	9,558			
Cont. Life	140				
Cont. Cas.	39,947	32,188			
Employ. Reins.	2	692			
Equit. L. N. Y.	22,409	18,352			
Great North. L.	233				
Great Western L.	5,391	1,501			
Life & Cas.	2,025	984			
Loyal Prot.	8,682	2,270			
Mass. Prot.	213,672	143,511			
Metropol. Life	1,670	448			

CASUALTY PERSONALS

A farewell dinner was given by a group of St. Paul agents, including T. J. Hjorth of the Commercial Union and Kenneth Grant and Ray O'Brien of the Ocean, in honor of **A. H. Stofft**, who is departing to take an executive position at the United States head office of the Ocean Accident. He has been for many years St. Paul branch manager of the Ocean. He was presented with a fountain pen and standard.

Miss Lucille Garrett, daughter of Mr. and Mrs. H. M. Garrett of Beatrice, Neb., was married to **C. E. Haatanen**, resident engineer of the inspection office of the National Bureau of Casualty & Surety Underwriters at Omaha.

A. Duncan Reid, president of the Globe Indemnity, and Mrs. Reid returned Monday from a six weeks' visit to England, most of the time being spent conferring with head office executives in Liverpool and London. He found that while the English managers were keenly alive to existing economic and underwriting conditions, both at home and in this country, they were not particularly exercised over them, long experience in business affairs having schooled them to accept situations phi-

losophically. They have adopted and are holding to the motto "carry on," confident that better days are ahead and that when the storm and strife are over, all worth while insurance and general corporations will be found more firmly entrenched in public confidence than ever before.

The **Columbus "Citizen"**, Columbus, O., which has been offering its readers automobile and travel accident policies written by the Inter-Southern Life, has replaced them with similar contracts furnished by the Western & Southern Indemnity of Cincinnati.

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The A & H Review

A monthly magazine for health and accident salesmen. \$2 a year.

Hasty Commission Action Condemned

(CONTINUED FROM PAGE 3)

of \$1,000, the commission on which was \$250. In 1931 the actual merchandise was reduced 50 percent and a further reduction in commodity prices had been made, so that the inventory shrunk to \$30,000. At 1 percent the agent's commission would be \$75 and he did more work in securing the renewal than he did on the business in 1929.

Moreover, the plant may have been sprinklered, reducing the rate to about 25 cents and producing a 1932 premium of \$75 and commission of \$18.75.

Report of H. A. Clark

H. A. Clark, western manager of the Firemen's of Newark, in his report as chairman of the executive committee of the Western Insurance Bureau, summarized a number of recommendations of the subscribers actuarial committee for changes in the rules of practice.

The rules and forms governing the

writing of single state reporting forms A and B, he recalled, have been made effective in all states in the west, except Missouri and Wisconsin. In those two states, he said, the filings are pending with the expectation that approval for at least Missouri will soon be secured. As quickly as these rules and forms were approved in each state, the general cover contract rules were withdrawn, but the question arose as to the termination date of the general cover contracts now in effect. The directors of the W. I. B., he said, approved the recommendation of the subscribers committee that all general cover contracts now in effect. The direct anniversary date of each such contract which covers in any of the states in the territory in which the single state reporting forms and rules have been made effective.

Electrical Losses

The bureau directors have approved the recommendation of the subscribers committee that the rates, rules and forms now in use governing the assumption of electrical losses on mer-

cantile and manufacturing property be discontinued in all states. Withdrawal was desired by eastern officials who strongly opposed the adoption of the rules in their territory and recommended that the west withdraw its rules.

Upon recommendation of the subscribers committee, the bureau directors, he said, approved certain changes in the inherent explosion clause which would eliminate a condition whereunder laws could be technically construed as denying liability where the rules contemplated granting coverage.

The directors of the bureau, according to Mr. Clark, were in accord with the subscribers committee in its opposition to proposed liberalization of forms of coverage in St. Louis.

The subscribers committee instructed the Missouri Audit Bureau to criticize any daily reports containing the objectionable coverage, these criticisms to be forwarded to Chicago in the usual manner and their correction required. The objectionable coverages referred to are as follows:

A form covering contents at a university includes all students', professors'

and doctors' furniture, fixtures and all other possessions when not specifically insured.

A form that covers contents of buildings, flats or apartment houses wherever such property may be located within 50 miles of the location insured, not exceeding 2 percent of the amount of the policy. It was stated that such form was needed to take care of the wearing apparel at the laundry, cleaners or a club.

A form that covers contents of a branch law library for books while in the hands of book binders for the purpose of being repaired or rebound.

A form that covers contents of a laundry being the property of others left with the assured for laundering; the coverage extended in transit to and from the laundry premises.

Mr. Clark placed before the membership the question of the advisability of reporting information as to suspended agencies to the field men.

Loss Suggestions

Mr. Clark reported that at the last meeting of the board, a committee was appointed to study and analyze the report of a special committee of the Western Loss Association, which made a number of constructive suggestions. The bureau committee consists of Mr. Clark, chairman; F. S. Danforth, secretary; Millers National, and Mr. Rawlings.

The proposed cigarette exemption clause was referred back to the bureau directors for attention. Mr. Clark said that the uniform forms committee prepared a so-called cigarette exemption clause providing that a company would not be liable for any loss occasioned by cigarettes, cigars or pipes, unless the loss was in excess of \$100 and then only for the amount the loss exceeded \$100.

This clause was given consideration at the recent meeting of the Western Underwriters Association. Mr. Clark said, and was referred back to its governing body with the suggestion that they confer with the ruling committee of the W. I. B.

Mr. Clark is of the opinion that a majority of the bureau directors feel that the suggested clause would be unwise and probably unenforceable at this time, the feeling being that various state departments would require a consideration in the rates for such a clause.

Multiplicity of Forms

Without comment, Mr. Clark reviewed what the Western Underwriters Association had done as to multiplicity of policy forms.

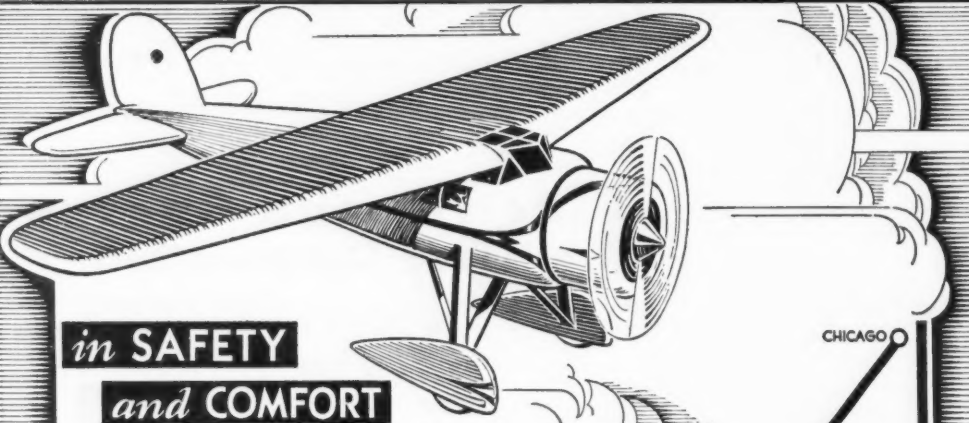
Mr. Clark referred to the membership resolution, which has been adopted as mandatory by the Western Underwriters Association, designed to correct the practice on the part of some agents of writing so-called unprotected border line properties at protected rates. The resolution is as follows:

"Resolved as mandatory, where it shall appear that any agent representing member companies has intentionally misrepresented any risk either directly or by application of improper classification, the governing committee shall investigate and when satisfied of intentional misrepresentation shall require policy to be canceled and prohibit any member company in the agency from writing such risk for a period of 15 months."

Mr. Clark said that amendments and additions to the by-laws of the bureau will be presented for consideration. The changes are for the purpose of clarifying the application of the commission schedule and have the approval of the board. He said there will be submitted for approval an alphabetical commission schedule to be included in the Book of Rules of the bureau. The schedule was prepared by Mr. Clark and F. C. Schad, secretary of the bureau.

The members of the Western Sprinkled Risk Association will hold their meeting Friday. In addition to Western Insurance Bureau companies there are others that are members of the association. Manager J. Harvey Patterson will give his annual report.

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Okl. City...	37.50	16.50	5.50	28.50	23.50

Southbound—Read Down **TIME TABLE** Northbound—Read Up

*9:05 P.M.	10:00 A.M.	.....	Lv. Chicago ..	.....	5:30 P.M.	*8:00 A.M.
*8:10 A.M.	1:00 P.M.	.....	Ar. Kansas City ..	.....	2:45 P.M.	*8:00 P.M.
9:00 A.M.	1:15 P.M.	.....	Lv. Kansas City ..	.....	2:30 P.M.	6:30 P.M.
10:45 A.M.	3:00 P.M.	.....	Ar. Tulsa ..	.....	1:00 P.M.	5:00 P.M.
10:50 A.M.	3:05 P.M.	5:30 P.M.	Lv. Tulsa ..	.....	9:15 A.M.	12:45 P.M.
11:35 A.M.	3:50 P.M.	6:15 P.M.	Ar. Okla. City ..	.....	8:30 A.M.	12:00 M.
						4:00 P.M.

*Via Railroad.

Lv. ST. LOUIS 12:15 P. M. FOR TULSA AND OKLAHOMA CITY. Lv. OKLAHOMA CITY 12:00 M., TULSA AT 1:00 P. M. FOR ST. LOUIS. ST. LOUIS FOR KANSAS CITY Lv. 3:30 P. M. KANSAS CITY FOR ST. LOUIS Lv. 5:30 P. M.

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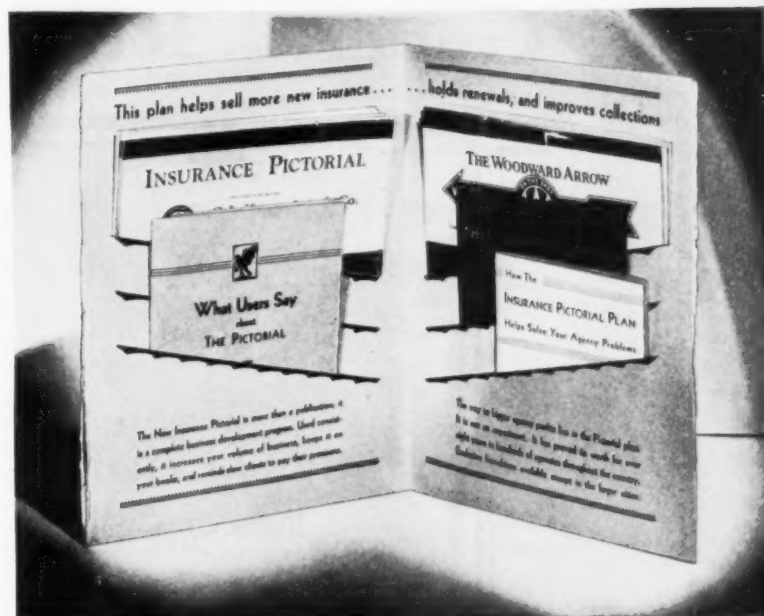
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